

Agenda



Arlington City Council Special Meeting

Council Briefing Room
101 W. Abram St., 3rd Floor

**Tuesday, September 06, 2016
2:15 PM**

I. CALL TO ORDER

II. EXECUTIVE SESSION (2:15 p.m.)

Discussion of matters permitted by the following sections of **V.T.C.A., Government Code, Chapter 551**:

A. Section 551.071, **CONSULTATION WITH ATTORNEY**

B. Section 551.087, **DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

1. Offers of Incentives to Business Prospects.

III. WORK SESSION (3:00 p.m. or upon adjournment of Executive Session, whichever is later)

A. Arlington Tourism Public Improvement District

The lake level as of 8 a.m. Thursday, September 1, 2016 was 545.81 feet.

- The Arlington City Hall is wheelchair accessible. For accommodations or sign interpretive services, please call 817-459-6100 no later than 24 hours in advance.
- Council meetings are broadcast live on Arlington's Government Channel and rebroadcast throughout the week at the following times:

	Afternoon meetings	Evening Meetings
Sunday	1:00 p.m.	6:00 p.m.
Wednesday	1:30 p.m.	6:30 a.m.
Saturday	6:00 p.m.	6:30 a.m.

- The Council agenda can be viewed on the City's website at www.ArlingtonTX.gov
- For a complete Arlington Government Channel program schedule, please visit www.ArlingtonTX.gov/Broadcast

IV. ISSUES SESSION

A. Discussion of informal staff reports

1. Update on Citizens Environmental Committee (*Councilmember S. Capehart*)
2. Streetlight Maintenance (*Councilmember R. Rivera*)
3. Mowing Schedules and Guidelines for TXDOT Roadways (*Mayor J. Williams*)
4. Capital Improvements Program Advisory Committee (CIPAC) July 2016 Semi-Annual Report
5. FY2016 City Council Priority - Champion Great Neighborhoods

B. Discussion of committee meetings

1. Finance and Audit - Special Tax Revenue Bonds Series 2008 and 2009 - Defeasance; Hotel Occupancy Tax
2. Municipal Policy - Alternatives to Payday Lending; 2017 State and Federal Legislative Agendas; Short Term Rental
3. Community and Neighborhood Development - PY2015-2016 HUD Consolidated Annual Performance and Evaluation Report (CAPER) Briefing; Tax Credit Projects; Parking of Vehicles
4. Economic Development - Updates to City of Arlington Policy Statement for Tax Abatement; Discussion of Chapter 380 Policy; Executive Session: Discuss Offers of Incentives to Business Prospects

C. Discussion of miscellaneous items

1. FY2017 Proposed Budget
2. Update on Downtown Business Improvement District (BID) Project
3. Appointments to boards and commissions
4. Evening Agenda items
5. Issues relative to City and TxDot projects
6. Future Agenda Items

ARLINGTON

TOURISM PUBLIC IMPROVEMENT DISTRICT

designed to enhance and grow the impact of the marketing and sales efforts of our destination to compete more effectively and aggressively

ARLINGTON, TEXAS

TOURISM IMPACT

TEXAS TOURISM FACTS

For every **\$1 million** spent in Texas by domestic and international travelers **9.4 jobs** are created. Without these jobs generated by domestic and international travel, Texas' **2014 unemployment rate of 5.1% would have been 9.8%** of the labor force.



369,885

Residents in the city of Arlington



8,300

Number of jobs directly supported by tourism



\$1192

Amount of taxes each U.S. household would have to pay additionally without tourism tax revenue



2,650

Number of jobs that is indirectly supported or induced by tourism



14,000,000

Number of tourist that travel to Arlington annually

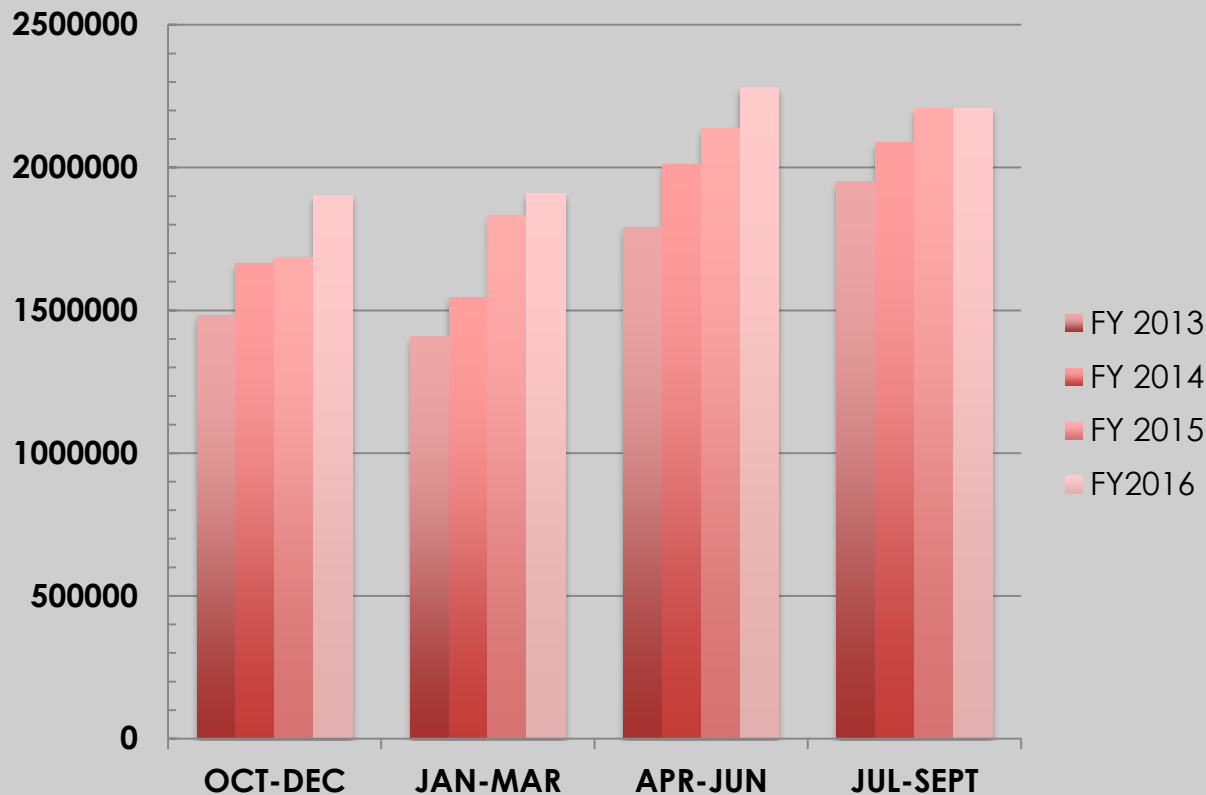
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\$1,400,000,000

Estimated economic impact derived from tourist visits

HISTORY OF HOTEL OCCUPANCY TAX



5.44%

Increase in FY 2013
compared to FY 2012

10.22%

Increase in FY 2014
compared to FY 2013

7.51%

Increase in FY 2015
compared to FY 2014

5.58%

Increase in FY 2016
compared to FY 2015

PUBLIC IMPROVEMENT DISTRICT

HISTORY



NATIONAL PRESENCE

OVER
150 PIDS
exist in the united states
(mainly California)

SOURCE: Tourism Economics, 206 Study



2011

The Original Texas Authorization:

Texas Legislature amended Chapter 372 of the Texas Local Government Code (2011) to allow the **City of Dallas** to create the first Texas tourism public improvement district.



2015

The Legislature added Arlington, Austin, San Antonio and Fort Worth to the list of authorized cities to do a tourism public improvement district.

TOURISM PUBLIC IMPROVEMENT DISTRICT

ARLINGTON



42

NUMBER OF HOTELS IN
ARLINGTON TPID



PROMOTES ABILITY TO COMPETE IN MARKET:

The proposed Arlington TPID funds will position Arlington to compete more aggressively in the marketplace.



MODELED AFTER SUCCESSFUL DALLAS PID:

The Arlington TPID is modeled after the successful Dallas TPID (2012) and successful operation of over 150 tourism public improvement districts in the United States.



FUNDING FOR PID:

The Arlington TPID will be completely funded by a two (2) percent assessment against Arlington hotels with 75 rooms or more. The assessment is to be set at a 2 percent of all taxable room nights sales at TPID hotels.



ROI:

Goal of \$10 to \$1 return on investment, a minimum threshold of \$10 for every \$1 expended in funding sales incentives.

TOURISM PUBLIC IMPROVEMENT DISTRICT

ARLINGTON



PROMOTES ABILITY TO COMPETE IN MARKET

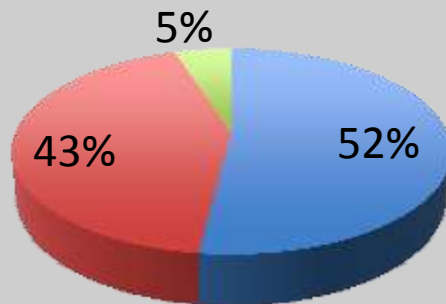
Creation of Tourism PID initiated by local hotels and the ACVB to allow Arlington to:

- Provide adequate incentives to encourage organizations to bring conferences, conventions, meetings and events to Arlington
- Increased client interaction at key tradeshow, fund client FAMS and site visits
- Enhance destination marketing to increase brand awareness and build hotel demand

The estimated annual budget for TPID's first year is \$2.3M – to be used for marketing and sales incentives/initiatives.

TOURISM PUBLIC IMPROVEMENT DISTRICT

ATPID SERVICE PLAN



■ Sales/Incentives

■ Marketing

■ Administrative

USES OF FUNDS:

To be used to aggressively **increase convention, group and leisure guest business**, benefiting all Arlington hotels and Arlington's overall economy.

INCENTIVE FUNDS/SALES INITIATIVES

Generate additional incentive funds to attract and retain citywide meetings and events and single property events based on established 10:1 ROI criteria.

COVER REQUIRED MEETING PLANNER REBATES FROM HOTELS

Pay the cost of hotel rebates that are required by meeting planners for many convention groups.

INCREASED MARKETING

Increase needed marketing resources to keep Arlington "top of mind" for convention/meeting, event planners, and transient tourists.

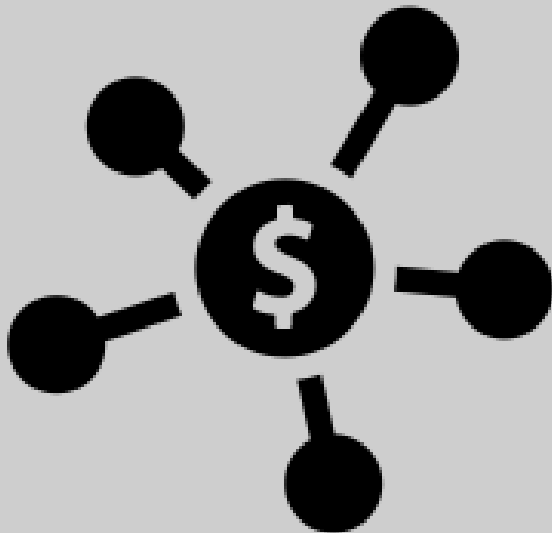
EXPAND TOURISM RESEARCH

Allow us to better measure the impact of marketing efforts on client and consumer awareness of Arlington as a destination, allowing customization of our efforts to ensure high ROI from all such initiatives

In total, **Ninety-five (95) percent of the TPID funds will be used for sales & marketing** programs including incentives and strategic marketing programs and 5 percent will be allocated for administration – research, insurance and auditing fees.

TOURISM PUBLIC IMPROVEMENT DISTRICT

ARLINGTON

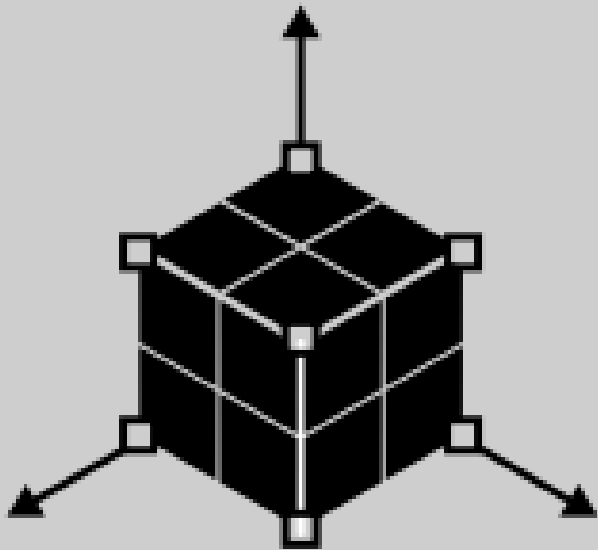


FUNDING FOR PID

- Funding generated through a 2% assessment on hotel room-nights that are sold at Arlington hotels with 75 or more rooms.
- The Tourism PID assessment would only include 2% fee collected from stakeholder hotels.
- Hotels will utilize schedule and process currently in place for payment of city hotel occupancy taxes to submit Tourism PID assessments to the City.

TOURISM PUBLIC IMPROVEMENT DISTRICT

STRUCTURE/DURATION



STRUCTURE

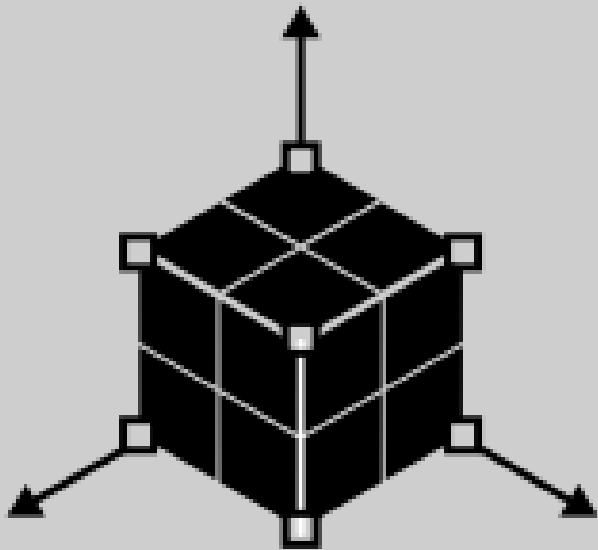
- BOD consists of 11 hoteliers and 1 ex-officio (CVB President)
- Annually, Board of Directors is responsible for creating a budget consistent with the service plan and subject to City Council's approval
- ACVB staff will act as the administrative entity that implements programs authorized by the TPID Board.

DURATION

- Ten years
- After the ten year period, the district can be:
 - Renewed – following same petition process
 - Refined – following same petition process
 - Dissolved – no action taken to renew PID operations
- New hotels may only be added through hotel notice and Mayor and City Council review and approval

TOURISM PUBLIC IMPROVEMENT DISTRICT

OVERSIGHT

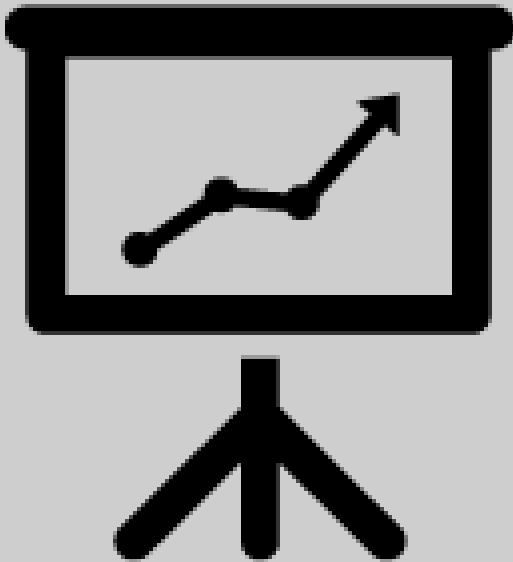


OVERSIGHT

- TPID Board responsible for oversight of the district's budget/service plan and any proposed changes to service plan on an annual basis.
- The continuation of the assessment and annual budget/service plan must be approved annually by City Council. Subsequent to City Council's approval, TPID Board will oversee implementation of Service Plan.
- TPID will submit quarterly financial statements reviewed by City staff. Annual, independently audited, financial statements submitted to City staff for review.

TOURISM PUBLIC IMPROVEMENT DISTRICT

RECOMMENDATION/BENEFITS



ACVB and hotel community recommend authorization of Tourism PID.

BENEFITS TO CITY

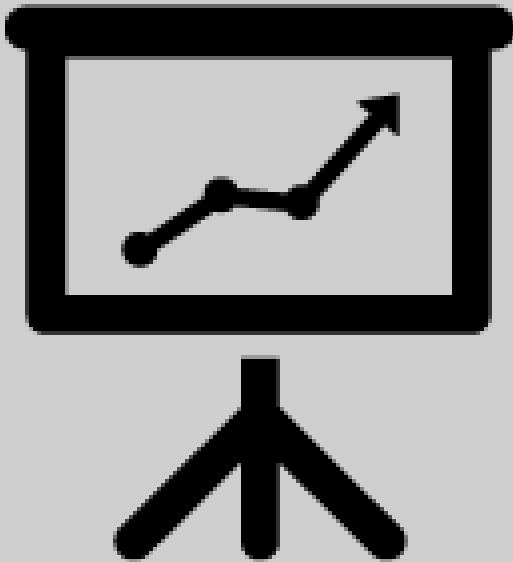
- Increases amount of marketing/branding for Arlington at no direct cost to City.
- Increases sales incentives for meetings and conventions thus creating more business for the Arlington Convention Center.

BENEFITS TO ACVB

- TPID will provide an additional \$2.3M in funds annually that can be utilized to further ACVB mission. TPID funds are expected to increase incrementally based on room night projections.

TOURISM PUBLIC IMPROVEMENT DISTRICT

RECOMMENDATION/BENEFITS (continued)



BENEFITS TO HOTELS

- Improved convention business will increase room occupancy and rates in all hotels.
- Improved perception of Arlington as a tourism destination through increased destination marketing, resulting in increased visitation and hotel stays.
- Increased Hotel Occupancy Tax revenue can lead to additional Convention Center improvements, and an increased level of marketing of Arlington as a Tourism Destination.

TOURISM PUBLIC IMPROVEMENT DISTRICT

REQUIREMENTS FOR ENACTMENT



42

NUMBER OF HOTELS IN
ARLINGTON TPID

REQUIREMENTS

Petition signatures from **60 percent of hotel ownership**
and **appraised value of Arlington hotels with 75 rooms or more**

STATUS

Support/approval from **69 percentage of ownership** and
77 percent appraised value

Approximately 75% appraised property value for 2015
Approximately 77% appraised property value for 2016

TOURISM PUBLIC IMPROVEMENT DISTRICT

OUR REQUEST:

Hotels making a request of council to:

1. Approve the creation of the Arlington Tourism Improvement District
2. Approve the service plan and assessment roll
3. 2% assessment rate

Consistent with law-
Law proved for these next steps to
implement Public Improvement
District at the request of the hotels.

ARLINGTON

TOURISM PUBLIC IMPROVEMENT DISTRICT

designed to enhance and grow the impact of the marketing and sales efforts of our destination to compete more effectively and aggressively

APPENDIX

PARTICIPATING TPID HOTELS

ACCOUNT NAME	ADDRESS	CITY	STATE	ROOMS
Baymont Inn & Suites	2401 Diplomacy Dr	Arlington	TX	95
Blue Cypress Hotel	117 S. Watson Rd.	Arlington	TX	192
Candlewood Suites Arlington	2221 Brookhollow Plaza Drive	Arlington	TX	125
Comfort Suites Arlington	411 W. Rd. to Six Flags Dr.	Arlington	TX	108
Courtyard by Marriott Arlington	1500 Nolan Ryan Expy	Arlington	TX	147
Courtyard by Marriott South	711 Highlander Boulevard	Arlington	TX	103
Crowne Plaza Arlington	700 Avenue H East	Arlington	TX	200
Days Inn Arlington	910 North Collins Street	Arlington	TX	93
Doubletree by Hilton	1507 N. Watson Rd.	Arlington	TX	237
Extended Stay America	2420 Lamar Boulevard	Arlington	TX	177
Extended Stay America 360	1221 N. Watson Rd.	Arlington	TX	137
Fairfield Inn & Suites by Marriott	2500 East Lamar Blvd.	Arlington	TX	101
Hampton Inn & Suites Arlington South	1100 East I-20	Arlington	TX	98
Hampton Inn & Suites North Arlington	2200 Brookhollow Plaza Dr.	Arlington	TX	103
Hawthorn Suites by Wyndham Arlington	2401 Brookhollow Plaza Dr.	Arlington	TX	129
Hilton Arlington	2401 E Lamar Blvd	Arlington	TX	308
Hilton Garden Inn	2190 E. Lamar Blvd	Arlington	TX	132
Holiday Inn Arlington NE - Rangers Ballpark	1311 Wet N Wild Way	Arlington	TX	147
Holiday Inn Express & Suites Arlington	2451 East Randol Mill Rd.	Arlington	TX	103
Holiday Inn Express (I-20)	1721 Pleasant Place	Arlington	TX	101
Homewood Suites by Hilton	2401 Rd. to Six Flags Street East	Arlington	TX	89

APPENDIX

PARTICIPATING TPID HOTELS CONTINUED

Account Name	Address	City	State	Rooms
Howard Johnson Express Inn	2001 East Copeland Rd.	Arlington	TX	98
Hyatt Place Arlington	2380 E Rd. to Six Flags	Arlington	TX	127
InTown Suites - 2601 S Cooper	2601 South Cooper	Arlington	TX	121
InTown Suites - 6016 S Cooper	6016 S Cooper St	Arlington	TX	121
InTown Suites - N Collins	2211 North Collins	Arlington	TX	133
InTown Suites - Oak Village Blvd.	1727 Oak Villiage Blvd.	Arlington	TX	132
Knights Inn	820 N. Watson Rd	Arlington	TX	114
La Quinta Inn & Suites Six Flags Drive	825 North Watson Rd.	Arlington	TX	178
La Quinta Inn & Suites South	4001 Scots Legacy Dr.	Arlington	TX	128
Quality Inn at Arlington Highlands	121 East I-20	Arlington	TX	128
Quality Inn Randol Mill	2626 E. Randol Mill Rd.	Arlington	TX	104
Residence Inn by Marriott North	1050 Brookhollow Plaza Dr.	Arlington	TX	114
Residence Inn by Marriott South	801 Highlander Blvd	Arlington	TX	96
Rodeway Inn	3501 East Division Street	Arlington	TX	117
Sheraton Arlington Hotel	1500 Convention Center Dr.	Arlington	TX	311
Sleep Inn Arlington Near Six Flags	750 Six Flags Dr.	Arlington	TX	126
SpringHill Suites by Marriott	1975 East Lamar Blvd	Arlington	TX	121
Studio 6	1607 North Watson Rd.	Arlington	TX	120
Studio 6 - South	1980 West Pleasant Ridge Rd.	Arlington	TX	142
TownePlace Suites by Marriott	1709 East Lamar Blvd	Arlington	TX	94
Wingate by Wyndham	1024 Brookhollow Plaza Dr	Arlington	TX	92

Informal Report to Mayor and Council



Update on Citizens Environmental Committee

City Council Meeting Date: 9/6/2016

ISSUE

At the August 23, 2016 Council Meeting, Council requested an update on the activities of the Citizens Environmental Committee.

DISCUSSION

The Citizens Environmental Committee (CEC) was formed in 2006 to “serve(s) in an advisory capacity concerning strategies and initiatives for improving the quality of the natural environment in the City.” The primary goal of the CEC was to advise the City Council and the Environmental Services Department on issues pertaining to city ordinances, educational outreach, Low Impact Development (LID) and LEED development, commercial and residential recycling, waste management, fleet management, and other environmental issues. When first established, direction for the CEC came from both the City Council and the Environmental Services Department through a staff liaison. In 2009, The Environmental Services Department merged with the Public Works and Transportation Department. Facilitation of the group’s activities became the responsibility of the Stormwater Division of Public Works and Transportation.

From its inception in 2006, several topics have been addressed and formal recommendations made to the City Council. These include: Green Building Standards, Water Conservation and Efficiency, Commercial Recycling, Vehicle Idling Restrictions, Educational Strategies, and an Energy Efficiency Action Plan. Most recently, the CEC has researched electronic waste recycling, provided input on the 2013 updated Water Conservation Plan, and reviewed the 2014 Stormwater Fee increase. In 2015, the CEC evaluated an Electronic Waste Recycling Program and discussed additional topics of interest including: Arlington Green Team, Leaf Waste Recycling (curbside), helping citizens adapt to drought conditions (updated to extreme weather conditions), and construction site debris recycling. Additionally, in 2016, the CEC participated in a table top exercise that was used to evaluate messaging and outreach for extreme weather, especially drought or flood conditions. The CEC has not yet evaluated this information or formulated any recommendations.

ACTION

New members have recently been appointed to the CEC and a meeting with the CEC will be scheduled for September. The focus of the September meeting will be identifying a work plan for FY2017. The work plan will then be either presented to a Council Committee or in a follow up Informal Staff Report in October.

At Council’s direction, staff recommends the Committee include the following items in its FY2017 Work Plan:

- Review and finalize recommendations for an Electronic Waste Recycling Program
- Provide recommendations for an extreme weather messaging and outreach program

ADDITIONAL INFORMATION

Attached:	None
Under separate cover:	None
Available in the City Secretary’s Office:	None

STAFF CONTACT(S)

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Informal Report to Mayor and Council



Streetlight Maintenance

City Council Meeting Date: 9/06/2016

ISSUE

Provide follow up to Councilmember Rivera's inquiry regarding streetlight maintenance along state facilities.

DISCUSSION

A local government may request the Texas Department of Transportation (TxDOT) participate in financing roadway lighting along state facilities. As provided in Section 25.11, Texas Administrative Code and Transportation Code 221.002, TxDOT can expend funds for lighting systems only if funding eligibility requirements and lighting warrants are met. In Arlington, the controlled access freeways, including IH20, IH30, SH360, and US287 meet eligibility and warrant requirements for continuous lighting. In accordance with the code, Arlington executed agreements whereas TxDOT assumed the total cost of design and installation of the lighting system, and Arlington assumed all cost of the subsequent operation and maintenance.

As part of our ongoing energy savings strategy, the City of Arlington recently contracted with Opterra Energy Services to assess streetlight components in an effort to create energy savings while decreasing our environmental impact. As part of the project, Opterra replaced approximately 10,500 existing high wattage HPS fixtures with lower wattage LED fixtures; including SH360 from the south city limits to Randol Mill Road. SH360 was chosen to be upgraded to LED fixtures since the system had deteriorated and many lights were out requiring extensive wiring and fixture replacements. Because the SH360 replacement LED wattages do not fall within the range of the current Oncor LED tariff, the system was rewired and converted to metering in order to generate electrical cost savings.

Replacement LED streetlights along IH20 and IH30 also do not fall within the range of the current tariff. In order to realize electrical cost savings, these systems would also require conversion of the system to allow metering. IH20 and IH30 are in better overall condition than SH360, and the conversion costs outweigh the cost savings generated by LED replacements. These fixtures will be replaced when the tariff becomes advantageous.

US287 does not currently have continuous lighting along the roadway. TxDOT has installed LED fixtures at the IH20 interchange with US287 as a pilot project to evaluate LED efficiency and longevity.

ACTION

This report is for informational purposes only and no action is required.

ADDITIONAL INFORMATION

Attached:	None
Under separate cover:	None
Available in the City Secretary's Office:	None

STAFF CONTACT(S)

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Informal Report to Mayor and Council

Mowing Schedules and Guidelines for TxDOT Roadways

City Council Meeting Date: 9/6/16

ISSUE

The purpose of this report is to provide the Mayor and City Council with information regarding the mowing schedules and guidelines for TxDOT roadways.

DISCUSSION

TxDOT has jurisdiction of the grounds maintenance of the medians and right-of-ways along interstate and state roadways across the State. This primarily consists of mowing and litter services. In Arlington, this includes I-30, I-20, SH360, US287, SH157, US180, and Spur303 where applicable.

TxDOT – Fort Worth District has jurisdiction over Tarrant and eight other westward counties. Within this jurisdiction, they divide the grounds maintenance into sections. Arlington is considered a section in itself, however there are parcels included that are outside the city limits. The sections may be managed independently or in concert; regarding contractors, scheduling, priorities, routes, etc. Considering both the District lines and the sections, oftentimes service appears inconsistent across the region. For example, if traveling I-30 from Fort Worth to Dallas, one could cross multiple maintenance sections within two TxDOT Districts; each being at a different stage of maintenance.

Currently, the State provides three mowing cycles per year. They are tentatively scheduled in the months of June, August, and November (Table 1). A cycle can take upwards of three weeks to complete. The later timing of the first cycle is to accommodate wildflower production.

Additionally, ten litter cycles are provided annually. These are independent of the mowing cycles, and provided by a separate contractor. Therefore, this service can appear disjointed from the mowing; leaving mowed litter behind for varied amounts of time, depending on the timing of subsequent mowing activity.

In locations where the City desires increased maintenance levels or improvements, agreements have been established with TxDOT to allow for the transfer of all, portions, or supplementation of the grounds maintenance. Examples include portions of I-30 within the Entertainment District (between Fielder and Ballpark Way), and upcoming landscape improvements on Spur303.

While this allows Arlington to serve its citizens at a higher level, it does subject the City to additional liabilities. The financial obligation of this increased level of maintenance now resides with the City, oftentimes in perpetuity. It also presents a risk of the State reducing their maintenance activities in an effort to effectively transfer annual maintenance responsibilities to the City. This could yield service levels near the State's standard, yet substantially less than intended by the City.

Funding was approved by City Council in the current budget to supplement the maintenance along the majority of Arlington's highway corridors. Under city contract for \$85,320, a

contractor provides two additional cycles of mowing and litter annually, along I-20, I-30, and SH360. These are tentatively scheduled for the months of July and September. Priority was given to these roadways due to their high exposure, through traffic loads and geographic proximity within the City, and history of citizen requests.

Table 1 - TxDOT Roadways Tentative Service Schedule

Month	Service	Location*	Provider
January	Litter	All	TxDOT
February	Litter	All	TxDOT
March	Litter	All	TxDOT
April	Litter	All	TxDOT
May	Litter	All	TxDOT
June	Mowing, Litter	All	TxDOT
July	Mowing, Litter	I-30, I-20, SH360	COA
August	Mowing, Litter	All	TxDOT
September	Mowing, Litter	I-30, I-20, SH360	COA
October	Litter	All	TxDOT
November	Mowing, Litter	All	TxDOT
December	Litter	All	TxDOT

* Excludes I-30 between Fielder and Ballpark Way - COA

Historically, mowing requests for US287 have not been substantial. This could be attributed to its proximity, and the predominant grass species. The species are quite different than the other roadways discussed, specifically lacking an abundance of Johnson grass. However, there remains a challenge along US287 in years of higher rainfall, and with expectations of the continued development along the corridor.

The required funding to provide two supplemental cycles along US 287 is approximately \$15,000 annually. TxDOT reports that US287 in Arlington will be the initial area mowed on the next cycle; beginning September 6th.

Table 2 - TxDOT Roadway Grounds Maintenance Services

Location	Provider	Service	Description	Cycle Qty.	Notes
I-30	TxDOT	Mowing	Medians, ROW	3	Excludes Fielder to Ballpark Way
	TxDOT	Litter	Medians, ROW	10	Excludes Fielder to Ballpark Way
	COA	Mowing, litter	Medians, ROW	2	Excludes Fielder to Ballpark Way
	COA	Mowing, litter	ROW	22	Fielder to Ballpark Way
	COA	Litter, landscape beds	ROW	28	Fielder to Ballpark Way
I-20	TxDOT	Mowing	Medians, ROW	3	
	TxDOT	Litter	Medians, ROW	10	
	COA	Mowing with litter	Medians, ROW	2	
SH360	TxDOT	Mowing	Medians, ROW	3	
	TxDOT	Litter	Medians, ROW	10	
	COA	Mowing with litter	Medians, ROW	2	
US287	TxDOT	Mowing	Medians, ROW	3	
	TxDOT	Litter	Medians, ROW	10	
SH180	TxDOT	Mowing	Applicable ROW	3	Minimal ROW
	TxDOT	Litter	Applicable ROW	10	Minimal ROW
Spur303	COA	Mowing, litter, tree care, landscape beds	Medians, Applicable ROW	20	Excludes Pantego

ACTION

There is no action requested at this time.

ADDITIONAL INFORMATION

Attached:	N/A
Under Separate Cover:	N/A
Available in the City Secretary's Office:	N/A

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Informal Report to Mayor and Council



Capital Improvements Program Advisory Committee (CIPAC) July 2016 Semi-annual Report

City Council Meeting Date: 9-06-16

RECOMMENDATION

Transmit the July 2016 Capital Improvements Program Advisory Committee (CIPAC) Semi-Annual Report to the City Council, as required by law.

DISCUSSION

Impact fees are a way for local governments to require that new development pays a proportionate share of the infrastructure costs it will impose on a community. In Arlington, impact fees are one-time, up front charges paid at building permit issuance that finance new roadway, water, and sanitary sewer facilities. Essentially, impact fees require that projects pay for the new public infrastructure necessary to serve them, as opposed to placing the burden on the City. Revenues are earmarked to be spent on capital improvements that create new capacity for growth in the corresponding service area, resulting in significant support to further the City's overall capital investment strategy. The City's Impact Fee Program aligns with the City Council strategy to provide a balance between residential and commercial development and redevelopment resulting in improved quality of life and a favorable business climate.

State law mandates the creation of an advisory committee to monitor a municipality's impact fee program. In Arlington, the Planning and Zoning Commission serves this purpose by sitting as the Capital Improvements Program Advisory Committee (CIPAC). In addition to overseeing and making recommendations for regular Impact Fee updates, the CIPAC is responsible for providing a semi-annual report to the City Council regarding the progress of the Impact Fee Capital Improvement Plan and any perceived inequities in its implementation.

On August 17, 2016, the CIPAC conducted a public hearing and approved the July 2016 Semi-Annual Report by a vote of 7-0-0. For the January - June 2016 reporting period, CIPAC found that the City was making progress in completing the roadway, water and sanitary sewer projects identified in the capital improvement plans adopted by City Council in 2002. Two water main construction projects were started during this six-month reporting period. In addition, \$1,523,555 was collected during the six-month reporting period. This translates into an increase of 200% from the same six-month period in 2015 and is the highest impact fee generation for a January-June reporting period since 2007.

The Community Development and Planning Department and CIPAC have reviewed the City's impact fee program and find that it is in compliance with state law.

ACTION

No formal action by the Council is required on this matter.

ADDITIONAL INFORMATION

Attached:

Executive Summary and Six-month Activity Report

Under separate cover:

None

Available in the City Secretary's Office:

CIPAC July 2016 Semi-Annual Report
Certification Letter to Texas Attorney General

STAFF CONTACT(S)

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EXECUTIVE SUMMARY

AUTHORIZATION AND GENERAL METHODOLOGY

Chapter 395 of the Texas Local Government Code describes the process by which cities in Texas must establish and manage development impact fee programs. This report, prepared by the Capital Improvements Program Advisory Committee (CIPAC), fulfills the requirement under state law to submit a semi-annual report on the status of the City of Arlington's Impact Fee Program.

The central concept behind the impact fee program is that new development should pay for some underlying portion of the cost of new public infrastructure required to serve it. For example, if 25 percent of the traffic on a new road is due to new development in that area, then impact fees can be charged to cover up to 25 percent of the projected cost of that road. It should be noted that, in the City of Arlington, impact fees are not intended to serve as a growth management tool.

The fees charged to new development are based largely on an estimate of the amount of new capital infrastructure required to accommodate the growth in the City over a ten-year period. These growth estimates are, in turn, based on regional population and employment projections developed by a variety of sources including the North Central Texas Council of Governments (NCTCOG) and the policies established in the City of Arlington's 1992 Comprehensive Plan.

This methodology involved the development of population and employment projections for each impact fee service area. These projections were based on the holding capacity of vacant land based on the land use categories identified in the Comprehensive Plan, and by applying densities established by the Plan's policies.

CURRENT IMPACT FEE PROGRAM

The City of Arlington initiated the Impact Fee Program in May of 1989. State law mandates a periodic update of the Impact Fee Program, including the land use assumptions, population projections, capital improvement plan, and maximum fee charged per service unit. Previous updates resulted in the 1994, 1999, and current 2002 Impact Fee Programs.

Collection of fees under the 2002 Program began in July of 2003, as the 1999 Impact Fee Program ended. The 2002 Program updated the land use assumptions and capital improvement plan. In addition, it modified the equivalency table used to determine service units. Taking inflation into account, the 2002 Program was designed to be revenue-neutral with respect to the 1999 program. Also in keeping with the 1999 Program, land use categories, which are used to assign different service unit rates, remained limited to five categories (residential, office, commercial, industrial, and institutional). For the 2002 Impact Fee Program, the City renewed its commitment to an impact fee system with a high degree of equity and few administrative complications.

The City of Arlington collected \$1,523,555 in roadway, water, and sanitary sewer impact fees during the last six-month reporting period. In this, the twenty-seventh collection period of the 2002 Impact Fee Program, roadway impact fee collections were \$937,233, while sanitary sewer and water collections were \$159,010 and \$427,313, respectively.

Compared to the same six-month period in 2015 (2015-A), overall impact fee revenues increased by 200 percent. With regard to individual impact fees, water increased by 131 percent and sanitary sewer increased by 56 percent while roadway increased by 323 percent. Revenue for the current six-month

reporting period (2016-A) and the past nineteen reporting periods of the 2002 Impact Fee Program are illustrated in Table 1 on page 3.

CONCLUSIONS

Based upon the information in this report, the following conclusions can be made by CIPAC:

1. Overall revenue generation for the twenty-seventh reporting period of the 2002 Impact Fee Program has increased over reporting period A in recent years. The current reporting period reflects the highest impact fee revenue generation for a reporting period A since 2007.
2. Two water main construction projects were started during this six-month reporting period.
3. No construction projects were completed during this six-month reporting period.
4. The pace of development in Arlington, the pace of implementing the capital improvement plan, and the "first in, first out" impact fee accounting method eliminate any possibility of an impact fee refund scenario, as described by state law.

Based on the above findings, we conclude that the City of Arlington Impact Fee Program for the six-month period ending June 30, 2016 remains in conformance with local ordinance and state law.

Table 1: Impact Fee Revenue from 2002 Impact Fee Program (July 1, 2006 – June 30, 2016)

"A"= January 1-June 30
 "B"= July 1-December 31

	2006-B	2007-A	2007-B	2008-A	2008-B	2009-A	2009-B	2010-A	2010-B	2011-A
Water										
Residential	397,680	247,560	\$158,880	\$126,960	\$125,280	\$49,320	\$62,520	\$75,960	\$67,320	\$59,760
Nonresidential	382,516	275,470	\$211,884	\$180,196	\$557,654	\$147,241	\$185,259	\$133,933	\$222,505	\$157,381
Total	780,196	523,030	\$370,764	\$307,156	\$682,934	\$196,561	\$247,779	\$209,893	\$289,825	\$217,141
Sanitary Sewer										
Residential	304,665	192,850	\$118,845	\$91,485	\$91,865	\$41,040	\$49,495	\$61,370	\$46,645	\$44,745
Nonresidential	177,338	132,158	\$111,220	\$97,653	\$127,468	\$62,580	\$52,428	\$53,265	\$120,768	\$46,565
Total	482,003	325,008	\$230,065	\$189,138	\$219,333	\$103,620	\$101,923	\$114,635	\$167,413	\$91,310
Roadways										
Residential	358,514	314,632	\$330,680	\$244,177	\$125,597	\$95,606	\$73,719	\$101,746	\$112,127	\$66,625
Nonresidential	1,306,280	2,634,837	\$463,777	\$502,438	\$985,998	\$163,692	\$126,959	\$125,831	\$125,013	\$147,519
Total	1,664,794	2,949,469	\$794,457	\$746,615	\$1,111,596	\$259,298	\$200,678	\$227,577	\$237,140	\$214,144
Grand Total	2,926,993	3,797,507	\$1,395,286	\$1,242,909	\$2,013,862	\$559,479	\$550,380	\$552,105	\$694,378	\$522,595
	2011-B	2012-A	2012-B	2013-A	2013-B	2014-A	2014-B	2015-A	2015-B	2016-A
Water										
Residential	\$106,200	\$79,680	\$109,479	\$149,170	\$108,360	\$107,640	\$123,600	\$80,160	\$92,280	\$73,680
Nonresidential	\$96,119	\$38,236	\$31,476	\$17,534	\$161,395	\$196,885	\$306,313	\$104,780	\$256,246	\$353,633
Total	\$202,319	\$117,916	\$140,955	\$166,704	\$269,755	\$304,525	\$429,913	\$184,940	\$348,526	\$427,313
Sanitary Sewer										
Residential	\$79,705	\$63,180	\$90,103	\$114,765	\$86,070	\$86,355	\$97,185	\$65,360	\$73,435	\$59,850
Nonresidential	\$35,175	\$27,973	\$23,785	\$13,539	\$73,365	\$102,175	\$151,085	\$36,683	\$79,898	\$99,160
Total	\$114,880	\$91,153	\$113,888	\$128,304	\$159,435	\$188,530	\$248,270	\$102,043	\$153,333	\$159,010
Roadways										
Residential	\$157,394	\$129,397	\$154,722	\$181,772	\$123,512	\$188,755	\$355,097	\$110,683	\$555,472	\$548,280
Nonresidential	\$134,860	\$186,874	\$169,242	\$88,401	\$502,045	\$192,033	\$376,091	\$110,728	\$786,577	\$388,953
Total	\$292,254	\$316,271	\$323,963	\$270,173	\$625,557	\$380,807	\$731,189	\$221,411	\$1,342,049	\$937,233
Grand Total	\$609,453	\$525,340	\$578,806	\$565,180	\$1,054,747	\$873,862	\$1,409,371	\$508,394	\$1,843,908	\$1,523,555

CURRENT SIX MONTH ACTIVITY REPORT

ACTIVITY BETWEEN JANUARY 1, 2016 AND JUNE 30, 2016

The Capital Improvements Program Advisory Committee (CIPAC) finds that the City is making progress in completing the original roadway, water, and sanitary sewer projects. Figure 1 shows the locations of Impact Fee Capital Improvement Projects that were active during the six-month period ending June 30, 2016. Project activity shown includes projects under construction during this report period as listed below:

CONSTRUCTION BEGAN ON:

- 16-inch water main along US Highway 287
- 42-inch water main along Harris Road (Ledbetter Road to Calender Road)

CONSTRUCTION COMPLETED ON:

- No projects were completed during the six-month period ending June 30, 2016.

Figure 1: Current Six Month (January 1, 2016 – June 30, 2016) Activity Map

Roadway Facility Construction In Progress

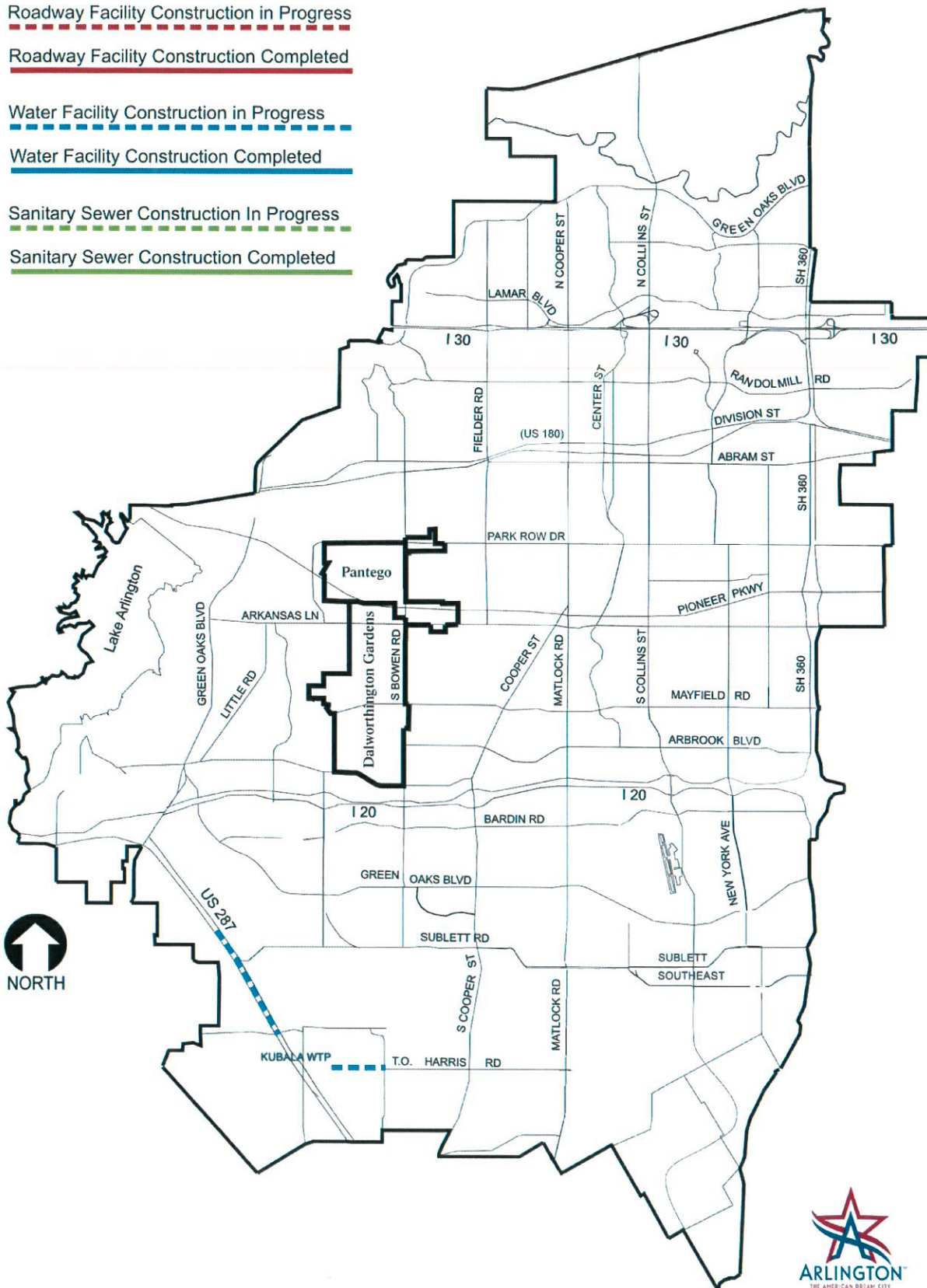
Roadway Facility Construction Completed

Water Facility Construction In Progress

Water Facility Construction Completed

Sanitary Sewer Construction In Progress

Sanitary Sewer Construction Completed



Informal Report to Mayor and Council



FY 2016 City Council Priority – Champion Great Neighborhoods

City Council Meeting Date: 9/06/2016

ISSUE

Provide to Mayor and City Council a quarterly update about activities related to advancing the FY2016 priority of *Champion Great Neighborhoods*.

DISCUSSION

The attached newsletter highlights activities and projects that support the City Council's goal to foster neighborhoods that are secure and attractive, informed and connected, and proud and engaged. Each quarterly update features information about our work, as well as that of our community partners, which furthers the City Council's goal.

These newsletters provide a convenient means of keeping the City Council and community informed. They will also be available on the City's website.

ACTION

The newsletters are designed to inform as well as encourage ongoing dialogue about the FY2016 priorities. Should Mayor and Council have any questions or need additional information, staff will research that information if needed and report back to Council.

ADDITIONAL INFORMATION

Attached:	Champion Great Neighborhoods Newsletter
Under separate cover:	None
Available in the City Secretary's Office:	None

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Champion Great NEIGHBORHOODS

QUARTERLY UPDATE FY2016

VOLUME 2, ISSUE 4



In This Issue

- Page 1 Gotta Catch'em All in the American Dream City | APD Celebrates 50th Academy Graduation
- Page 2 Pokemon Go, cont. | Levitt Pavilion Announces Fall Concert Series
- Page 3 Ecofest Returns September 17 | NEW Wildlife Encounters Website | National Night Out Project365 Kickoff
- Page 4 By The Numbers - Clear the Shelter Day

APD Celebrates 50th Academy Graduation



The Arlington Police Department celebrated the graduation of its 16 newest police officers during a special ceremony in July.

Having completed 28 weeks in the Arlington Police Basic Academy, these men and women began patrolling neighborhoods in the American Dream City with their field training officers on August 1. This milestone class represents the 50th academy class to graduate since the first academy class graduated in 1990.

Congratulations, officers!

Gotta Catch'em All in the American Dream City

Are you a Pokémon Go trainer? The goal of this hit game, already being called a worldwide phenomenon, is to travel around your city, collecting and training captured Pokémon, which you can use to battle other trainers at gyms. Along the way, trainers can check in at public spaces, landmarks and monuments to collect game items and also walk around to hatch Pokémon eggs they collect as rewards.

Downtown Arlington locations include City Hall, Founders Plaza, J.R. Bentley's English Pub, Knapp Heritage Park, Mellow Mushroom, Fuzzy's Taco Shop, Twisted Root Burger Co. and many, many more. Children and adults alike are flocking to Arlington's 90-plus public parks in attempts to "catch 'em all." The Parks and Recreation Department has created an interactive site, called Parkémon, that

compiles the best places to stock up on game items and battle it out at various parks.

Arlington resident Margaret Rich, 47, was recently on the hunt for Pokémon with her two sons

continued on next page



Connect with us on social media:



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www.arlingtontx.gov | www.myarlingtontx.com

Highlights



Pokémon Go, cont.

Eric, 11 and Andrew, 13 in downtown Arlington. "I think there is a lot of fair criticism about the game, people driving while playing it and security concerns about your Gmail account. But when it comes down to the game, it's really fun. I'm out here bonding with my children over an app, how often does that happen?" Rich said.

Residents who are out and about hunting for elusive Pokémon should consider participating in the Star of Texas Challenge at the same time. The City and the Arlington Museum of Art have challenged residents to visit the 20 stars positioned throughout Arlington and check out each artist's interpretation of what makes Arlington the American Dream City.

Participants receive a special edition "Star of Texas" t-shirt and free admission to the Vivian Maier: Lost and Found exhibit at the Arlington Museum of Art by uploading photos taken with all 20 stars on the City's social media platforms.



Levitt Pavilion Announces Fall Concert Series

Levitt Pavilion Arlington's Fall Concert Season begins Sept. 2, when Grammy Award-winners Brave Combo perform their mosh-pit polka. The Baylor Orthopedic & Spine Hospital 2016 Fall Concert Season continues with free music on Friday, Saturday and Sunday through Oct. 2. All concerts begin at 8 p.m. The Levitt ends its concert year with its annual benefit concert with The B-52s on Oct. 8.

Paul Thorn is one of the artists making his Levitt debut on Sept. 4. He is known for his bluesy rock with its Southern tone. Others making their Levitt debuts include The Peterson Brothers, the sister quartet known as Shel, jazz legend Jimmy Cobb, The Nightowls and country/rock artist, Bart Crow.

Celtic rock favorites The Killdares will play again this fall before they retire at the end of the year. Other Levitt favorites returning are the alt/pop experience of Delta Rae, The Voice finalist, Aquile; the vintage soul group, Soul Track Mind; the smooth sounding Seryn, country artist Daphne Willis, Cas Haley and his island-inflected pop, alt/country royalty Bruce Robison and Kelly Willis, and the original honky-tonk hero, Billy Joe Shaver.



The Fall Concert Season calendar is on the Levitt's website, levittpavilionarlington.org, and its free mobile app, Levitt Arlington.

Tickets to see Texas Health/Arlington Memorial Hospital presents The B-52s also are available on the website and the app. The B-52s concert is the only Levitt concert that requires a ticket purchase with all proceeds going to support more than 50 free concerts. Tickets to The B-52s are \$40 for general admission before the concert and \$50 at the gate Oct. 8, if they aren't sold out. The United Service Association for Health Care Foundation's VIP experience tickets also are available for \$195 and include VIP parking, a preconcert dinner with live and silent auctions before the concert, and reserved seats in the VIP section at the concert. VIP tickets are sold by phone only at 817-543-4308.

Updates

Ecofest Returns Sept. 17

Arlington is proud to announce the eighth annual Ecofest that will take over the streets of Downtown Arlington on Saturday, September 17. The event will kick off at 10 a.m. and the fun will continue until 2 p.m. This free, family-oriented event will take place at Founders Plaza, 100 W. Abram Street.

This year Arlington plans to focus on its ecofriendly exhibitors and education. Ecofest was created to stimulate environmental awareness, build a sense of community, and promote stewardship across North Texas.

The Arlington Parks and Recreation Department has partnered with Republic Services and other local sponsors to provide classes and demonstrations on environmental awareness, vendors, and children's activities including games, crafts, and educational presentations.

Ecofest Arlington is excited to announce they will be giving away trees again this year while supplies. Come out and celebrate making a difference in the community!



New City Website Offers Tips for Urban Wildlife Encounters

The new Urban Wildlife website is a comprehensive adventure with detailed information about coyotes, bobcats, feral hogs, snakes, raccoons, opossums, beavers and more.

Visit this new site for an overview of different species of wildlife found in Arlington, as well as links to other sites for more detailed information about:

- Urban Wildlife
- Learn about specific wildlife
- View maps of reported wildlife in Arlington



Police, Residents Celebrate National Night Out Project365 Kickoff

The Arlington Police Department celebrated the importance of community involvement during the annual National Night Out Project365 Kickoff Party at River Legacy Park featuring food, games, music and plenty of fun.



National Night Out promotes crime prevention, police-community partnership and neighborhood camaraderie. It encourages people to turn on their porch lights, step outside, and get to know their neighbors at small block parties. Law enforcement agencies stop by the parties to offer public safety tips and ways to stay connected to their local police departments.

"The Arlington Police Department has a great relationship with our community and this event is another chance to get more people involved. It's very important to get community involvement in what we do and it strengthens the trust and bond with the police department and neighborhoods throughout the city," said Michelle Benjamin, Arlington Police Department Community Coordinator.

This year's National Night Out is set for Tuesday, October 4.

By The Numbers: Clear the Shelter Day

The City's Animal Services Center gathered with 700 other shelters across the country on Saturday, July 23 to match homeless animals with caring families.

101

the number of animals who received new, loving homes during the Clear the Shelter event



50

the number of volunteers who helped Animal Services staff during the Clear the Shelter event



10 to 70

the ages of volunteers that came out the help Animal Services clear the shelter



\$0

the cost of adoption on Clear the Shelter Day, including spay/neuter, microchipping, vaccinations, a city license, and a month of pet health insurance

COUNCIL COMMITTEE MEETING SCHEDULE

Tuesday, September 6, 2016

- 8:30 a.m. – 9:00 a.m. **Finance and Audit - Arlington Conference Room A**
Charlie Parker, Chair
Robert Shepard
Sheri Capehart
Victoria Farrar-Myers
- 9:15 a.m. – 10:30 a.m. **Municipal Policy - Arlington Conference Room A**
Michael Glaspie, Chair
Robert Rivera
Sheri Capehart
Lana Wolff
- 10:45 a.m. – 11:45 a.m. **Community and Neighborhood Development**
Arlington Conference Room A
Lana Wolff, Chair
Charlie Parker
Victoria Farrar-Myers
Michael Glaspie
- 12:00 p.m. – 12:45 p.m. **Economic Development** *Arlington Conference Room A*
Robert Shepard, Chair
Michael Glaspie
Kathryn Wilemon
Victoria Farrar-Myers

The Afternoon Council Meeting/Executive Session will begin at 2:15 p.m.



Office of the City Manager

AGENDA
FINANCE AND AUDIT COMMITTEE
CITY OF ARLINGTON
ARLINGTON CONFERENCE ROOM A – THIRD FLOOR
101 WEST ABRAM STREET
ARLINGTON, TEXAS

SEPTEMBER 6, 2016
8:30 A.M.

I. CALL TO ORDER

II. NEW BUSINESS

- | | | |
|----|--|------------|
| A. | Special Tax Revenue Bonds Series 2008 and 2009 -
Defeasance | 15 minutes |
| B. | Hotel Occupancy Tax | 15 minutes |
| C. | Items and dates for future meetings | |

III. ADJOURN



Office of the City Manager

MUNICIPAL POLICY COMMITTEE

CITY OF ARLINGTON
ARLINGTON CONFERENCE ROOM A -3RD FLOOR
101 WEST ABRAM STREET
ARLINGTON, TEXAS

SEPTEMBER 6, 2016
9:15 A.M.

I. **CALL TO ORDER**

II. **NEW BUSINESS**

- | | | |
|----|--|------------|
| A. | Alternatives to Payday Lending | 15 minutes |
| B. | 2017 State and Federal Legislative Agendas | 30 minutes |
| C. | Short Term Rental | 30 minutes |
| D. | Items and dates for future meetings | |

III. **ADJOURN**



ALTERNATIVES TO PAYDAY LENDING

Municipal Policy Committee
September 6, 2016

BACKGROUND



- Follow-up from Council Work Session presentation on August 2, 2016
- Provides additional detail about programs and services that currently provide or could provide Arlington households with viable alternatives to payday lending services

ALTERNATIVE LENDING PROGRAMS



1. Lending Partnerships with Employers
2. Small-dollar lending through credit unions and/or traditional lending institutions
3. Lending circles
4. Other community resources

COMMUNITY LOAN CENTER



OF THE RIO GRANDE VALLEY
Affordable Small Dollar Loans

- RGV Multibank provides affordable, risk-free loans to employees of participating companies
- Since October 2011, the Community Loan Center has loaned \$3.9M to borrowers in the Rio Grande Valley
- Interest and fees are reasonable for borrowers (\$20 fee and 18% interest)
- Earnings are reinvested into the program for expansion and lending capital

CLC BENEFITS TO BORROWERS



- Loans are available from \$400 - \$1000
- Payback period is 12 months
- Cost saving alternative to payday loans
- No credit history or collateral needed
- No prepayment penalties
- Free financial counseling available
- Funds available within 2 business days of employment verification

CLC BORROWER REQUIREMENTS



- Minimum Age = 18
- Must be working at participating employer for at least 3 months
- Checking Account
- Driver's License or Passport
- Social Security Number



CLC BENEFITS TO EMPLOYERS



Employees are more productive when they are financially stable

Benefits to Employers



Helps Attract and Retain Talented Employees



Zero Cost to Employers



Loan Payments are Fully Automated

VIDEO OVERVIEW



- <https://www.youtube.com/watch?v=ZJmyY8>



CLC AVAILABILITY IN ARLINGTON



- Matt Hull, Executive Director of Texas Community Capital (TCC), is actively working to find a lending partner to provide community lending services in Tarrant County
- TCC administers Community Loan Centers in other cities, including Dallas, Waco, Longview
- Challenges: Access to lending capital and a willing non-profit partner that can administer the program
- If not a current lender, licensing process is 8-9 months

LENDING CIRCLES



- Lending circles are safe, affordable ways for members to build credit through no interest, no fee social loans
- In Tarrant County, Family Pathfinders operates several lending circles in Tarrant County, including 1 in Arlington
- Results: 65 individuals in Tarrant County are currently participating in this program with opportunities for expansion

LENDING CIRCLES: EXAMPLE



- Family Pathfinders program provides small dollar loans (up to \$1200)
- Members attend financial coaching and pay a small amount each month (e.g., \$50) into a group fund
- Assets are reported to credit bureaus and availability of funds rotates among members in need of micro loans
- The program is supported through a partnership of Family Pathfinders, Mission Asset Fund, and The Thomson Family Foundation

OTHER PROACTIVE APPROACHES



Current Programs Designed to Help Families Achieve Financial Stability

- Financial Literacy and Coaching
- Individual Development Accounts
- Volunteer Income Tax Assistance (VITA) Sites
- 30/40/30 Concept – Saving EITC Refunds
- Predatory Loan Conversion Program
- Financial Opportunity Centers – One Stop Shopping for Financial Resources
- UT Arlington's Financial Literacy and Personal Finance Program



QUESTIONS/DISCUSSION



City of Arlington

2017-2018 LEGISLATIVE AGENDAS



STATE LEGISLATURE - 85TH SESSION



- Local Decisions by Local Elected Officials
 - Tax rate and exemptions
 - Land use
 - Economic development
 - Water rate control
 - Oppose unfunded mandates



STATE LEGISLATURE – 85TH SESSION



- Support
 - City initiatives
 - UTA budget items
 - Public Safety
 - Mental health funding
 - Expand hate crime to include targeting police officers
 - Fake gun regulations



CONGRESS – 115TH SESSION



- Local Government Authority
 - Management of public rights-of-way
 - Franchise fees
 - UAS rules
 - PEG funding
- City Initiative
 - Sales tax fairness



CONGRESS – 115TH SESSION



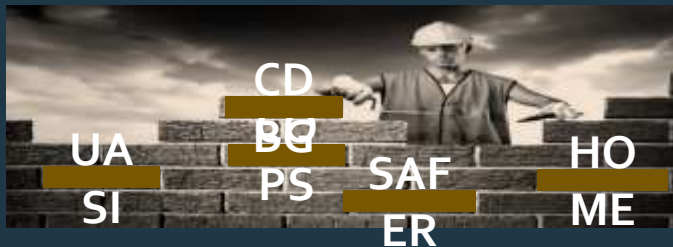
- Public Safety
 - Enhanced penalty for killing police officers
 - Fake gun regulation



CONGRESS – 115TH SESSION



- Budget & Taxation
 - Local government program funding (UASI, COPS, SAFER, CDBG, HOME)
- Transportation & Infrastructure
 - Airport – FY18 funding
 - High Speed Rail



FEDERAL REGULATIONS



- Clean Air Act
- Landfill greenhouse gas emissions
- Clean Power Plan
- Clean Water
- Fair Housing



DISCUSSION



Office of the City Manager

AGENDA
COMMUNITY AND NEIGHBORHOOD DEVELOPMENT COMMITTEE

CITY OF ARLINGTON
ARLINGTON CONFERENCE ROOM A – THIRD FLOOR
101 WEST ABRAM STREET
ARLINGTON, TEXAS

SEPTEMBER 6, 2016
10:45 A.M.

I. **CALL TO ORDER**

II. **NEW BUSINESS**

- | | | |
|----|---|------------|
| A. | PY2015-2016 HUD Consolidated Annual Performance
and Evaluation Report (CAPER) Briefing | 15 minutes |
| B. | Tax Credit Projects | 15 minutes |
| C. | Parking of Vehicles | 30 minutes |

III. **ADJOURN**



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Program Year 2015
CDBG, HOME, ESG

CND Meeting
September 6, 2016

CAPER TIMELINE



Activity	Date
Publish CAPER hearing notice	August 9
CAPER Draft Available for 30-day Public Comment Period	Aug. 10 – Sep. 12
Public Hearing at Council Briefing Room at 6:00 p.m.	August 29
Community & Neighborhood Development Committee Review	September 6
City Council Review	September 20
HUD Submission Deadline	September 28

PY2015 HUD GRANT ALLOCATIONS



● CDBG - \$2,913,648

● HOME - \$837,670

● ESG- \$264,459

Total Allocation: \$4,015,777

PY2015 GRANT EXPENSES



Activity	CDBG	HOME	ESG	TOTAL*
Affordable Housing	\$721,440	\$627,027	-	\$1,348,468
Homelessness	\$68,190	\$151,145	\$219,313	\$438,648
Special Needs	\$42,702	\$151,000	-	\$193,702
Community Development	\$1,116,590	-	-	\$1,116,590
Central Arlington NRSA	\$179,047	\$102,371	\$80,952	\$362,371
East Arlington	\$627,859	-	-	\$627,859

*Expenses in each category may be duplicated across activities

CHAMPION GREAT NEIGHBORHOODS

Energy-efficient, affordable homes were constructed using HOME funds and purchased by first time home buyers.

Pictured Below: DCTC property on Magnolia in the NRSA



BEFORE



AFTER

CHAMPION GREAT NEIGHBORHOODS



- Homebuyer Assistance
Households Served
 - Goal: 28
 - Actual: 17
- Homeownership Counseling
& Budgeting Workshops
 - 492 Participants
- Foreclosure Prevention
Counseling
 - 16 participants



CHAMPION GREAT NEIGHBORHOODS

448 participants attended the City's inaugural Homeownership Fair on June 25, 2016 at the Arlington Convention Center to learn about the home buying process and how to maintain their home in the City of Arlington.



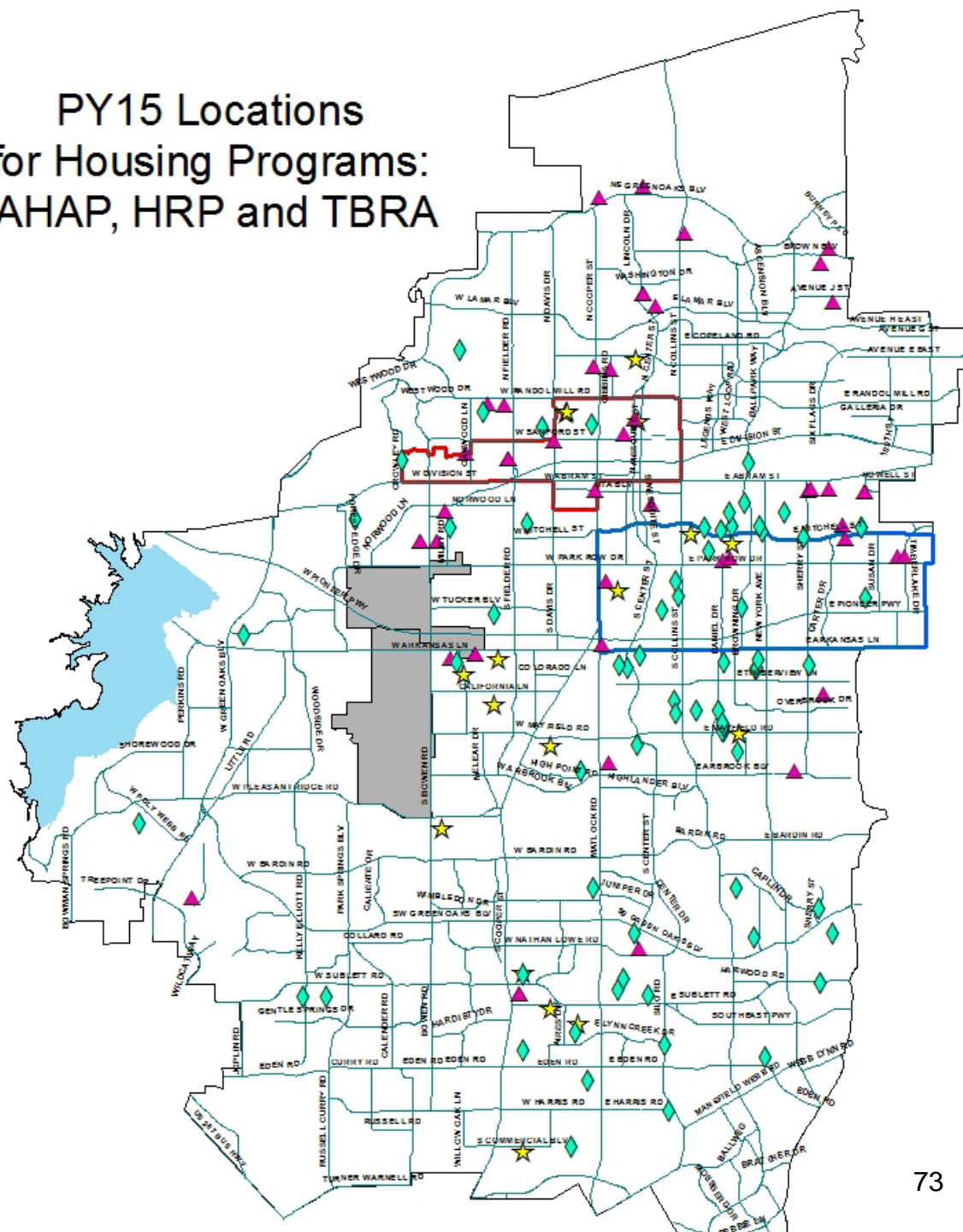
CHAMPION GREAT NEIGHBORHOODS



- CDBG & HOME HOUSING REHABILITATION
- Households Served
 - Goal: 50
 - Actual: 72
- Housing Units Rehabilitated
 - Emergency Repair: 44
 - Full Rehabilitation: 23
 - Architectural Barrier Removal: 12
 - Elderly and/or disabled: 33



PY15 Locations for Housing Programs: AHAP, HRP and TBRA



Legend

Programs



Homebuyer Assistance



Housing Rehabilitation



Rental Assistance

SUPPORT QUALITY EDUCATION



- 24 homeless and low-income children were afforded full-day quality childcare
- 1,199 youth received one-on-one mentoring, educational tutoring, and after-school programming
- 7,092 elementary students at Title 1 schools received dental health education services from Dental Health Arlington



Girls Inc. of Tarrant County

ENHANCE REGIONAL MOBILITY



- 3,947 trips were provided to 48 unduplicated clients through the Ride2Work program, operated by Catholic Charities
- 10,028 trips were provided by Mission Metroplex to 311 low-income and homeless individuals to access school, social services, and medical services
- 825 one-way trips were provided to 296 otherwise-isolated seniors living in Arlington by Senior Citizen Services
- East Arlington Streets, Phase III on Barton Drive was substantially completed in PY15



East Arlington Streets
Phase III, Barton Drive

SPECIAL NEEDS AND HOMELESS SERVICES



HOME: Temporary Rental Assistance

- Households Assisted
 - Goal: 40
 - Actual: 51
- 90% are homeless or have a disability
- Case management services provided by:
 - Recovery Resource
 - AIDS Outreach
 - SafeHaven
 - Salvation Army
 - Community Enrichment Center



SPECIAL NEEDS AND HOMELESS SERVICES



Emergency Shelter for Homeless Individuals	1,845 Individuals
Homeless Prevention (Homeless Housing and Service Program – HHSP)	66 Households
Rapid Rehousing After Experiencing Homelessness	68 Individuals (20 households)

AWARDS AND RECOGNITION

- 2016 Audrey Nelson Award
 - The City of Arlington was selected to receive the 2016 Audrey Nelson Award for its work with the Development Corporation of Tarrant County (DCTC) to develop new, energy-efficient homes and improving cost of living for first-time homebuyers in the Neighborhood Revitalization Strategy Area (NRSA).
- Promise Zone Finalist
 - Partners:
 - Arlington Housing Authority
 - Arlington ISD
 - Workforce Solutions
 - Arlington Police Department
 - United Way of Tarrant County
 - Child Care Associates
 - www.hud.gov/promisezones

PROPOSED CDBG REPROGRAMMING



Activity	From	To
General Admin	\$17,163.13	
AIDS Outreach	\$236.94	
Water From the Rock	\$2,952.46	
Recovery Resource Council	\$3.00	
Senior Citizens Services – Central Arlington	\$8,027.00	
East Arlington Phase III (Barton)	\$110,000.00	
Infrastructure Project: New York Corridor		\$138,382.53
Total CDBG:	\$138,382.53	\$138,382.53

PROPOSED ESG AND HOME REPROGRAMMING



Activity	From	To
Safe Haven Operations (ESG)	\$483.15	
Safe Haven Rapid Rehousing (ESG)	\$20,116.33	
Center for Transforming Lives Rapid Rehousing (ESG)	\$3,293.29	
Homeless Management Information System		\$3,294.77
Center for Transforming Lives Rapid Rehousing (ESG)		\$20,598.00
Total ESG:	\$23,892.77	\$23,892.77
General Admin (HOME)	\$12,066.77	
Prior Year Funds (HOME)	\$124,584.76	
Owner-Occupied Housing Rehabilitation		\$136,651.53
Total HOME:	\$136,651.53	\$136,651.53



QUESTIONS & DISCUSSION

2015-2016 CAPER NEWSLETTER

CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT



HIGHLIGHTS

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WHAT IS THE CAPER?

The Consolidated Annual Performance & Evaluation Report (CAPER) is a summary of the progress made by the City of Arlington to achieve the goals identified in the 2015-2019 Consolidated Plan and the Program Year 2015 Action Plan, using:



CDBG

Community
Development
Block Grant



ESG

Emergency
Solutions
Grant



HOME

Investment
Partnerships
Program

The draft CAPER for public review can be found here:
[http://www.arlington-tx.gov/cdp/grants/planningandreporting/
con-plans-action-plans-capers/](http://www.arlington-tx.gov/cdp/grants/planningandreporting/con-plans-action-plans-capers/)



CHAMPION GREAT NEIGHBORHOODS

- » 17 families bought their first home through the Arlington Homebuyers' Assistance Program.
- » 5 Energy-efficient, affordable homes were constructed using HOME funds and purchased by first-time home buyers; 3 located within the NRSA.
- » 72 low-income households received housing rehabilitation assistance; 44 received emergency repairs; 23 full rehabilitations; 12 received Barrier Removal grants to improve accessibility for persons with disabilities.
- » The City of Arlington hosted a Fair Housing Symposium as part of National Fair Housing Month. Over 60 attendees were provided information on how to promote fair housing choice and how to foster inclusive communities.
- » The City of Arlington hosted its inaugural Homeownership Fair. 448 attendees were given the opportunity to learn about the home buying process and how to maintain their home.



ENHANCE REGIONAL MOBILITY

- » 3,947 trips were provided to 48 unduplicated clients were provided transportation to jobs through the Ride2Work program, operated by Catholic Charities.
- » 10,028 trips were provided by Mission Metroplex to 311 low-income and homeless individuals to access school, social services, and medical services.
- » 825 one-way trips were provided to 296 otherwise-isolated seniors living in Arlington by Senior Citizen Services.
- » NY Corridor from Abram to Park Row: design and plans were completed for improved streets and pedestrian infrastructure. CDBG funds will be used for pedestrian walkways and amenities along the corridor.
- » East Arlington Streets Phase III on Barton Drive from Sherry to Kent street was substantially completed.



SUPPORT QUALITY EDUCATION

- » 24 homeless and low-income children were afforded full-day quality childcare by the Center for Transforming Lives (formerly YWCA).
- » 1,199 youth received one-on-one mentoring, educational tutoring, and after-school programming from Arlington Parks and Recreation, Big Brothers Big Sisters, Boys & Girls Club, Girls, Inc. and H.O.P.E Tutoring.
- » 109 students attended GED, job readiness and/or ESL classes provided by Tarrant County College at Water from the Rock; 5 passed the GED exam.
- » 922 participants (394 adults and 528 youth) received GED, ESL, technology and youth literacy training from Arlington Public Library.
- » 7,092 elementary students at Title 1 schools received dental health education services from Dental Health Arlington.
- » 685 students enrolled in ESL, GED and high school credit courses provided by the AISD Dropout Prevention Center.



SPECIAL NEEDS AND HOMELESS SERVICES

- » 1,845 homeless individuals were served at the Arlington Life Shelter, Safe Haven, and Salvation Army.
- » 68 individuals (20 households) were provided rapid rehousing services by Safe Haven and Center for Transforming Lives.
- » 14,531 meals were provided to 328 seniors by Senior Citizen Services and Meals on Wheels.
- » 198 individuals received substance abuse counseling and referrals to treatment from Recovery Resource Council.
- » 217 persons were tested and counseled in risk reduction by AIDS Outreach Center.
- » 86 adults with physical and mental disabilities were provided day rehabilitation services from Advocates for Special People.

FINANCIAL SUMMARY



PY15 ALLOCATIONS:

- CDBG - \$2,913,648
- HOME - \$837,670
- ESG - \$264,459

TOTAL: 4,015,777

PY15 PRIORITY NEEDS EXPENDITURE

ACTIVITY	CDBG	HOME	ESG	TOTAL
AFFORDABLE HOUSING	\$721,440	\$627,027	-	\$1,348,468
HOMELESSNESS	\$68,190	\$151,145	\$219,313	\$438,648
SPECIAL NEEDS	\$42,702	\$151,000	-	\$193,702
COMMUNITY DEVELOPMENT	\$1,116,590	-	-	\$1,116,590
CENTRAL ARLINGTON NRSA	\$179,047	\$102,371	\$80,952	\$362,371
EAST ARLINGTON	\$627,859	-	-	\$627,859

*Categories may overlap, resulting in duplicative totals

PUBLIC INPUT

The 2015-2016 CAPER will be presented for public comment from August 10, 2016 - September 12, 2016. Comments may be submitted by mail to Grants management, P.O. Box 90231, MS 01-0330, Arlington, Texas 76004-3231, by fax at 817-459-6253, or email at GrantsManagement@arlingtontx.gov.

Public Hearing
Monday, August 29 6:00 p.m.
Arlington City Hall: Council Briefing Room
101 W Abram St., 3rd floor
Arlington, Texas 76010

Facilities are wheelchair accessible. Contact 817-459-6258 (48 hours in advance) to make arrangements for language translation or other accommodations.

TAX CREDITS 101

A Brief Description of the
Low Income Housing Tax Credit

Low Income Housing Tax Credit

- The program is an incentive to develop housing for low income residents by leveraging private capital and investor equity to support the development of new rental housing or rehabilitation of existing rental housing
- IRS gives investors a dollar for dollar reduction in their federal tax liability
- Investors' equity contribution subsidizes the development, allowing some units to rent at below market rates. In return, investors receive tax credits paid annually

Qualified Action Plan QAP

- The 'Rule Book' for LIHTC applicants
- Application score, rank & funding is based on QAP
 - Resolution of no opposition
 - Development location
 - Higher quality building materials
 - Amenities and Services
 - 'Green Building' materials and techniques
 - Size and Quality of the units
 - Financial feasibility

Rents

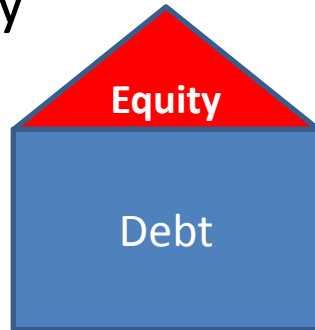
Rents are typically set at a level affordable to persons earning between 50% and 60% of the area median income based on household size

For example:	Family of 4 persons
60% AMI	\$41,640
50% AMI	\$34,700

How are LIHTC rents affordable?

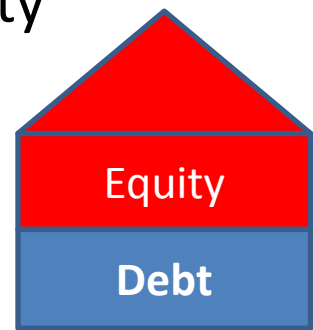
Conventional Apartment

- Typically 80% debt
- 20% Equity



Tax Credit Apartment

- Typically 40% debt
- 60% Equity



- The lower the debt, the less rent needs to be charged to cover mortgage payments
- The owner signs a Land Use Restrictive Agreement (LURA) agreeing to maintain the development as affordable for 30-years

How Are LIHTC developments monitored?

- TDHCA monitors and inspects all properties that have received tax credits up to 40 years
- Property owners who do not follow applicable program rules and property standards are subject to administrative penalties, recapture of the income tax credit taken, or debarment from TDHCA's affordable multifamily programs

LIHTC developments in Arlington

Seniors only	Accessible	Total
The Claremont at Arlington (2001)	20	261
Village at Johnson Creek (1998)	24	140
Multi-family	Accessible	Total
Addison Park Apartments (2004)	18	224
Artisan at Rush Creek (2004)	0	144
Avalon Apartments (1991)	38	75
Parkland Pointe (1998)	38	250
Providence at Prairie Oaks (2004)	15	206
Rosemont at Mayfield Villas (2003)	0	280
Rush Creek Apartment Homes (2003)	19	248
Spanish Park (1993)	3	362
Whispering Woods (1993)	4	224

LIHTC

The LIHTC program is a helpful tool to develop new housing with a low foreclosure risk that benefits seniors and working class families

The city has received increased private sector interest in developing new multi-family rental housing using LIHTC in Arlington

The city seeks the committee's level of interest and direction



Office of the City Manager

AGENDA
ECONOMIC DEVELOPMENT COMMITTEE
CITY OF ARLINGTON
ARLINGTON CONFERENCE ROOM – THIRD FLOOR
101 W. ABRAM STREET
ARLINGTON, TEXAS
SEPTEMBER 6, 2016
12:00 P.M.

I. **CALL TO ORDER**

II. **NEW BUSINESS**

- | | | |
|----|---|------------|
| A. | Updates to City of Arlington Policy Statement for Tax Abatement | 15 minutes |
| B. | Discussion of Chapter 380 Policy | 15 minutes |

III. **EXECUTIVE SESSION**

Discussion of matters permitted by the following section V.T.C.A., Government Code, Chapter 551:

- | | | |
|----|---|------------|
| A. | Section 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS: | |
| 1. | Offers of Incentives to Business Prospects | 15 minutes |

IV. **ADJOURN**



Office of
ECONOMIC DEVELOPMENT



TAX ABATEMENT POLICY AND CHAPTER 380 POLICY REVIEW

September 6, 2016

REQUIRED RE-AUTHORIZATION



- State law requires entities employing tax abatements to have a current tax abatement policy that is re-authorized by the governing body every two years.
- Staff anticipates scheduling the city's tax abatement policy for Council's consideration at the regular meeting of October 25, 2016.

REVIEW



- Staff has reviewed the current tax abatement policy (included in your packet) and will be recommending a number of modifications.
- Staff anticipates conducting the review of the tax abatement policy and the Chapter 380 policy over the September 6th and September 20th Economic Development Committee meetings.

REVENUES RELATED TO ED



PRODUCED BY TAX ABATEMENT AND CHAPTER 380 AGREEMENTS

FY16 TAX REVENUE					VALUES	
AISD	OTHER TAXING ENTITIES	COA	TAXES PAID*	ABATED & REBATED LEVY	BASE YEAR	CURRENT YEAR
\$9,214,252	4,701,228	2,050,936	15,966,416*	2,454,018	32,769,324	733,259,299

*TAXES PAID DOES NOT INCLUDE THE AMOUNT FOR TAX ABATEMENT (\$2,349,061)

BACKGROUND



- The foundation of the City's current abatement policy was developed in 2005 by benchmarking abatement policies across the Metroplex
- Since 2005, only minor changes have been made to the City's abatement policy

MODIFICATIONS SINCE 2005



- Clarification of definitions
- Modification of geographic boundaries
- Clarification of how abatement policies apply to lessees of real property, to non-owner-occupied properties, and within tax increment reinvestment zones (TIRZ)
- Removal of expired Enterprise Zones
- Addition of target industries

MODIFICATIONS SINCE 2005



- Addition of abatement categories for Downtown Arlington and Existing Businesses
- Adjustments made to the bonus terms relating to employing MWBE Contractors and exceeding the median wage
- Inclusion of various recapture conditions

EVENTS & CONDITIONS SINCE 2005



- Since 2005, changes have occurred that have led the OED to revisit the abatement policy, including:
 - Tendency of companies to lease space from independent developers rather than purchase/develop their own properties
 - Evolution of geographic regions in the City via new development
 - Strategic Plan adopted in 2014

REVIEW OF POLICY



In assessing appropriate changes to the abatement policy, the OED:

- Compared Arlington's policy to other communities
- Examined alignment with the economic development strategy
- Assessed relevance of the current policy
- Evaluated past abatements approved by Council
- Consulted with City Attorney's Office

ABATEMENT COMPARISON



	Detailed Abatement Matrix	Bonus For Job #s	Varies by Project Type	Varies by Geography	Bonus for Wages	Bonus For Target Industry
Arlington	X			X	X	X
Flower Mound	X	X			X	
Grand Prairie						
Carrollton	X					
Denton	X	X	X			X
Colleyville	X					
Garland						
Plano						
Fort Worth		X	X	X	X	X
Burleson			X			
San Antonio				X		

ABATEMENT COMPARISON



	Min. # of Jobs	Project Value Min.	Min. Abatement	Max. Abatement	Max. Yrs.	Value for Max. Abatement
Arlington		\$50k	20%	90%	10	\$30M
Flower Mound		\$1M	20%	100%	10	\$35M+
Grand Prairie	25	\$5M	N/A	75%	9	N/A
Carrollton	250	\$5M	30%	50%	10	\$50M
Denton		\$5M	25%	50%	10	\$100M
Colleyville		\$2M	100%*	100%*	3	\$2M*
Garland			50%	100%	10	
Plano				100%	10	
Fort Worth		\$500k		85%		
Burleson		\$750k		100%		
San Antonio	25	\$1M		100%	10	

FINDINGS



- The current abatement policy allows Arlington to offer companies abatements that are generally equal to or greater than other communities
- The majority of communities do not have a matrix that specifically defines how abatements are calculated
- Arlington has the lowest investment threshold to qualify for incentives
- At 44-pages, Arlington's policy is longest out of the surveyed communities
- Arlington is one of only a few cities using geographic areas to define incentive amounts



PROPOSED POLICY CHANGES

- Remove detailed abatement breakdowns
 - Will encourage more companies to consult with the OED
 - Will allow for greater flexibility when it comes to competitive projects
 - Will help ensure consistency with policy
- Internally, a standardized matrix can be used to calculate abatement amounts



PROPOSED CHANGES

- Remove geographic boundaries of abatements
 - Rationale for geography-based differences in abatements does not reflect Strategy
 - Zoning and available land will determine where projects of varying physical types will locate
- Raise abatement thresholds
 - Currently, lowest abatement threshold is \$50k. This equates to an abatement of \$162/yr; however, the administrative burden to the city is roughly equivalent to any other abatement

PROPOSED CHANGES



- Revise targeted industries to reflect the Strategic Plan
 - Aerospace, Automotive, Advanced Manufacturing, Professional Services, & Medical Device/Manufacturing companies by NAICS code
- Revise bonus for salary above the city's median wage (\$29,943) to instead be above county's median wage (\$32,221)
 - Currently, low rate makes it easy to qualify for abatement bonus
- Clarify that abatements can only be made with property owners

CH-380 POLICY SUMMARY



- Will result in a minimum increased taxable value for the City of
 - \$25,000,000 in real and BPP
 - \$250,000 in real and BPP (excluding inventory and supplies) in the Downtown Business Zoning District or the Downtown Neighborhood Overlay District; or
- Is a multifamily housing project intended to redevelop and revitalize key areas that are zoned for multifamily or mixed use development within the City

Area	Added Taxable Value	*Jobs	Abatement %	Term
Downtown				
Level I	\$50,000	No minimum	50% Real or BPP	2 Years
Level II	\$100,000	No minimum	80% Real or BPP	3 Years
Great Southwest				
Level I	\$500,000	25-49	25% Real or BPP	5 Years
Level II	\$2,500,000	50-100	35% Real or BPP	5 Years
Level III	\$10,000,000	101-250	50% Real or BPP	7 Years
Level IV	\$15,000,000	251+	55% Real or BPP	7 Years
Level V	\$30,000,000	500+	**Negotiable	Up to 10 Years
I-20 Corridor				
Level I	\$2,500,000	25-49	25% Real or BPP	5 Years
Level II	\$5,000,000	50-100	35% Real or BPP	5 Years
Level III	\$10,000,000	101-250	45% Real or BPP	7 Years
Level IV	\$15,000,000	251+	55% Real or BPP	7 Years
Level V	\$30,000,000	500+	**Negotiable	Up to 10 Years
Entertainment District				
Level I	\$5,000,000	NA	45% Real or BPP	5 Years
Level II	\$10,000,000	NA	55% Real or BPP	7 Years
Level III	\$30,000,000	NA	**Negotiable	Up to 10 Years
Remaining Citywide				
Level I	\$1,000,000	Up to 49	20% Real or BPP	5 Years
Level II	\$5,000,000	50-100	30% Real or BPP	5 Years
Level III	\$10,000,000	101-250	40% Real or BPP	7 Years
Level IV	\$30,000,000	251+	**Negotiable	Up to 10 Years
Bonus Levels				
– Average wages are above City’s median wage			+10% Real or BPP	
– Use of Arlington or Minority Contractor			+10% Real or BPP	
– Target Industry Cluster			+10% Real or BPP	
*Job Guidelines only apply to owner-occupied properties				



PROPOSED ABATEMENT MATRIX

	Added Taxable Value	Percent	Term
Level I	\$2.5M	20%	5 Years
Level II	\$5M	25%	5 Years
Level III	\$10M	30%	7 Years
Level IV	\$15M	35%	7 Years
Level V	\$30M	**Neg	≤10 Years

<u>Bonus Levels</u> – Average wages are above county median wage – Target Industry Cluster	+10% +10%
<u>Jobs Created/Retained</u> 25-49 50-100 101-250 251+	+5% +10% +15% +20%
<u>Multifamily Redevelopment</u> – Demolition – Relocation	10% 10%



DISCUSSION

CITY OF ARLINGTON, TEXAS
Policy Statement for Tax Abatement

I.

General Purpose and Objectives

- A. The City of Arlington is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Arlington will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in Arlington. It is the policy of the City of Arlington that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. Nothing herein shall imply or suggest that the City of Arlington is under any obligation to provide tax abatement to any applicant. All applicants shall be considered on a case-by-case basis, and the decision to approve or deny tax abatement shall be at the discretion of the City Council. Tax abatement agreements are made with the owners of real property to exempt from taxation a portion of the value of the real property or of tangible personal property, or both. The duration of an abatement may be for a period of time determined appropriate by the City Council, based on the economic life of the improvements and consistent with the provisions of this policy, but in no case for more than 10 years in accordance with state law. Special terms and conditions may be set in the agreement governing each specific tax abatement.
- B. The City Council has designated certain areas of the City as Tax Increment Reinvestment Zones (“TIRZ”). This Policy does apply to property located in a TIRZ. However, a person or entity seeking tax abatement on property owned in a TIRZ should be advised that state law requires a TIRZ’s board of directors and the governing bodies of all taxing jurisdictions contributing tax increment revenue to a TIRZ to approve a City tax abatement agreement on property located in that TIRZ before the agreement can take effect. Property located in a TIRZ improvement project financed by bonds or other obligations will not be eligible for tax abatement under this policy.

II.

Definitions

- A. “Abatement” means the full or partial exemption of ad valorem taxes for eligible properties in a reinvestment zone designated as such for economic development purposes. Abatement may be granted for either the real property improvements or business personal property but not both unless otherwise allowed in this policy.
- B. “Act of God” means an act occasioned exclusively by violence of nature and in no sense attributable to human action.
- C. “Agreement” means a contractual agreement between a property owner and a taxing authority for the purpose of tax abatement. In no event shall the duration of an abatement term exceed ten (10) years.

- D. “Base Year Value” means the taxable value of the applicant's real property and business personal property, including inventory and supplies, located in a designated reinvestment zone on January 1 of the year of the execution of the agreement as determined by Tarrant Appraisal District.
- E. “Added Taxable Value” means the value above the base year value of real property improvements and business personal property as appraised by the Tarrant Appraisal District. The abatement may be granted for either the real property improvements or business personal property but not both unless in accordance with Article III of this policy the project meets the required criteria and thereby fits within a Level described as “Negotiable”; in which case, abatement of both real and personal property value is a permissible negotiated term within the discretion of the City Council.
- F. “CDBG Eligible Area” means any census tract in which fifty-one percent (51%) or more of the residents in that census tract have low to moderate incomes, as defined by the United States Department of Housing and Urban Development.
- G. “Class A Office Building” is a high quality, well designed office building with excellent location and access using superior materials, workmanship, and finish that can compete for the most prestigious tenants. The minimum size of a Class A Office Building shall be 20,000 square feet per floor or a building total of 60,000 square feet except for Downtown Arlington. The minimum size of a Class A Office Building in Downtown Arlington shall be 7,500 square feet per floor or a building total of 20,000 square feet.
- H. “Class A Medical Office Building” is a Class A Office Building featuring additional capabilities required to serve as functional workspace for the performance of medical service delivery or medical research.
- I. “Economic Life” means the number of years a property qualifies for depreciation under the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.
- J. “Expansion” means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity or revenues.
- K. “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.
- L. “Full Service Hotel” is a well designed building offered as temporary lodging with excellent location and access using superior materials, workmanship and finish. Full Service Hotels will feature a distinctive lodging and dining experience and will house, be co-located with or located in proximity to convention facilities capable of handling a minimum of 1,000 people. The quality of the facility will meet or exceed the minimum standards required to qualify as a four star or four diamond hotel.
- M. “Job” means a permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year. Part-time positions shall not be included in this definition.

- N. “Modernization” means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of renovation, reconditioning, refurbishing, repairing, or completion of deferred maintenance, except in enterprise zones.
- O. “New facility” means a property previously undeveloped which is placed into service by means other than expansion or modernization.
- P. “Reconstruction” means to replace or rebuild a portion or all of a facility that has been damaged by Act of God when the damage from the Act of God has resulted in at least a 60% reduction in value of the facility as compared to the value immediately prior to the Act of God as finally determined by Tarrant Appraisal District. The facility owner shall have the burden to prove the required decrease in value to the satisfaction of the City Manager or his designee prior to consideration by the City Council of a tax abatement application for a Reconstruction project.
- Q. “Reinvestment Zone” is an area designated as such for the purpose of tax abatement as authorized by Subchapter B, Municipal Tax Abatement, Title 3, Local Taxation, Vernon's Texas Codes Annotated.
- R. “Supply and Service Expenses” are discretionary expenses incurred during the normal maintenance and operation activities of a business.
- S. “Target Industry” is an industry identified as a target industry in the City's Policy Statement for Tax Abatement and Exhibits thereto, as amended from time to time.
- T. “Value,” when used in this Policy, shall mean value as determined by an appraisal prepared by Tarrant Appraisal District, unless otherwise specified. If a facility is damaged by an Act of God and an appraisal of the damaged facility is not available from Tarrant Appraisal District when needed in order to comply with the duty established in Section II.K. of this Tax Abatement Policy, “decrease in value” may be determined by an independent appraiser agreed upon by the City and either the owner of a facility or applicant for a tax abatement. The term “value added” means increase in appraised value.

III.

Abatement Authorized

- A. Eligible Facilities: Tax abatement may be granted for new facilities, expansion, modernization or reconstruction of existing facilities. The economic life of a facility, and/or eligible property must exceed the duration of the abatement.
- B. Eligible Property: An applicant may apply for abatement on either the real property improvements or business personal property eligible for abatement in accordance with this agreement, whichever is higher, unless otherwise negotiated in accordance with this Policy. Tax abatement may not be granted for both real property improvements and business personal property, for a particular

project specified on the tax abatement application, unless the abatement fits within a Level with a percentage listed negotiable in this Article III. Inventory and supplies are not eligible for tax abatement.

- C. Business personal property tax abatement shall be limited to owner-occupied properties.
- D. While the subject Policy applies to property located within a Tax Increment Reinvestment Zone (“TIRZ”), only projects that fit within a Level designating the percentage abatement as “negotiable,” shall be eligible for tax abatement.
- E. A project that fits within the “Hospitality and Tourism” industry cluster (*see Exhibit “A”* of this Policy), shall be eligible for tax abatement only upon a finding by the City Council that the project will make a unique or unequaled contribution to the economy, development, redevelopment, tourism or employment opportunities in the City of Arlington.
- F. Except as otherwise provided in this subsection D., if the retail sale of merchandise is the primary use and purpose of a project, tax abatement may be granted for the project only upon a finding by the City Council that the project will make a unique or unequaled contribution to the economy, development, redevelopment, tourism or employment opportunities within the City of Arlington. In Downtown Arlington, tax abatement may be granted for retail development if the City Council determines that the project for which abatement is sought is consistent with and in furtherance of the “Downtown Arlington Unified Master Plan” as adopted by Resolution 04-520 and as may be subsequently amended.
- G. Criteria and Abatement Guidelines: Tax abatement may be granted for eligible facilities on all or a portion of the increased taxable value of eligible property over the Base Year Value. The percentage of taxes abated and the duration of the abatement, or any other limitation or condition included in this Policy and not required by state or federal law, may vary from these guidelines based on a determination by the City Council that granting tax abatement for a particular project is consistent with the economic development objectives of the City of Arlington.

Any person, organization or corporation may request tax abatement by filing an Application for Incentives as described in Section IV. Consideration will be given to requests from applicants for the confidentiality of proprietary information, consistent with state law.

The City Council has adopted these tax abatement guidelines for designated areas of the City:

1. Downtown Arlington Guidelines (As defined in **Exhibit “B”**)

Projects in Downtown Arlington may be granted abatement in accordance with the guidelines shown below for either the real property improvements or business personal property, but not both, unless negotiated under the guidelines of Section III.G.12.

Level	Added Taxable Value*	Maximum Abatement %	Maximum Term
Level I	\$50,000	50% Real or BPP	2 Years
Level II	\$100,000	65% Real or BPP	4 Years
Level III	\$250,000	80% Real or BPP	6 years

**Added Taxable Value may be met by including the appraised value of real property improvements and business personal property as determined by the Tarrant Appraisal District's Official Tax Rolls, but the abatement may be granted only on either the real property improvements or business personal property (BPP).*

2. **Great Southwest Industrial District Guidelines** (As defined in **Exhibit "C"**)

Projects in the Great Southwest Industrial District, area may be granted abatement in accordance with the guidelines shown below for either the real property improvements or business personal property, but not both, unless negotiated under the guidelines of Section III.G.12.

Level	Added Taxable Value*	Job Guidelines**	Maximum Abatement %	Term
Level I	\$500,000	25-49	25% Real or BPP	5 Years
Level II	\$2,500,000	50-100	35% Real or BPP	5 Years
Level III	\$10,000,000	101-250	50% Real or BPP	7 Years
Level IV	\$15,000,000	251-499	65% Real or BPP	7 Years
Level V	\$30,000,000	500+	Negotiable, not to exceed 90%	Up to 10 Years

**Added Taxable Value may be met by including the appraised value of real property improvements and business personal property as determined by the Tarrant Appraisal District's Official Tax Rolls, but the abatement may be granted only on either the real property improvements or business personal property (BPP).*

***Job Guidelines apply only to owner-occupied properties.*

3. **I-20 Corridor Guidelines** (As defined in **Exhibit "D"**)

Projects in the I-20 Corridor, eligible facilities may be granted abatement in accordance with the guidelines shown below, if the eligible facilities are classified as a Target Industry; or, in the alternative, the Added Taxable Value in the eligible facilities must exceed Thirty Million Dollars (\$30,000,000.00). Abatement may be granted for either the real property improvements or business personal property but not both unless negotiated under the guidelines of Section III.G.12.

Level	Added Taxable Value*	Jobs Guidelines**	Maximum Abatement %	Maximum Term
Level I	\$2,500,000	25-49	25% Real or BPP	5 Years
Level II	\$5,000,000	50-100	35% Real or BPP	5 Years
Level III	\$10,000,000	101-250	45% Real or BPP	7 Years
Level IV	\$15,000,000	251-499	55% Real or BPP	7 Years
Level V	\$30,000,000	500+	Negotiable, not to exceed 90%	Up to 10 Years

**Added Taxable Value may be met by including the appraised value of real property improvements and business personal property as determined by the Tarrant Appraisal District's Official Tax Rolls, but the abatement may be granted only on either the real property improvements or business personal property (BPP).*

***Job Guidelines apply only to owner-occupied properties.*

4. Guidelines for Abatement in Other Areas of the City

To be considered for tax abatement in other areas of the City, eligible facilities should be classified as a Target Industry and result in a minimum added value of One Million Dollars (\$1,000,000.00) in real property improvements and business personal property (excluding inventory and supplies). If the eligible facilities are not classified as a Target Industry the Added Taxable Value in the eligible facilities must exceed Thirty Million Dollars (\$30,000,000.00). Abatement may be granted for either the real property improvements or business personal property but not both unless negotiated under the guidelines of Section III.G.12.

Tax abatement agreements in this category, defined as an area other than the above-referenced Downtown Arlington, Great Southwest Industrial District, or I-20 Corridor, may be granted as Level I, II, or III abatements.

Below is a table showing the minimum Added Taxable Value, maximum permissible percentage of taxes abated and the duration of the abatement agreement for each level of tax abatement in this category.

Level	Added Taxable Value*	Job Guidelines**	Maximum Abatement %	Maximum Term
Level I	\$1,000,000	5-49	20% Real or BPP	5 Years
Level II	\$5,000,000	50-100	30% Real or BPP	5 Years
Level III	\$10,000,000	101-250	40% Real or BPP	7 Years
Level IV	\$30,000,000	251+	Negotiable, not to exceed 90%	Up to 10 Years

**Added Taxable Value may be met by including the appraised value of real property improvements and business personal property as determined by the Tarrant Appraisal District's Official Tax Rolls, but the abatement may be granted only on either the real property improvements or business personal property (BPP).*

***Job Guidelines apply only to owner-occupied properties.*

5. Business Expansion Projects for Existing Arlington Businesses (As defined in **Exhibit "E"**)

To be eligible for tax abatement under this Policy, a Business Expansion Project must meet the following criteria:

(i) Be located in a CDBG Eligible Area or Council adopted strategic priority area; and (ii) Have been in business continuously for at least six months prior to the submission of an Application to the City for Tax Abatement, and (iii) the Added Taxable Value in the eligible facilities must exceed \$250,000.

Abatement may be granted for either the real property improvements or business personal property but not both unless negotiated under the guidelines of Section III.G.12.

Below is a table showing the minimum Added Taxable Value, maximum permissible percentage of taxes abated and the duration of the abatement agreement for each level of tax abatement for Business Expansion Projects.

Level	Added Taxable Value*	Job Guidelines	Maximum Abatement %	Term
Level I	\$250,000	25-49	20% Real or BPP	5 Years
Level II	\$500,000	50-100	50% Real or BPP	5 Years
Level III	\$1,000,000	101-200	50% Real or BPP	7 Years
Level IV	\$5,000,000	200+	65% Real or BPP	7 Years

**Added Taxable Value may be met by including the appraised value of real property improvements and business personal property as determined by the Tarrant Appraisal District's Official Tax Rolls, but the abatement may be granted only on either the real property improvements or business personal property (BPP).*

***Job Guidelines apply only to owner-occupied properties.*

6. Bonus Levels

In addition to the percentage of taxes eligible for abatement stated in this Article III, an applicant may be eligible for a bonus percentage for the same duration as the abatement granted. In no event may the abatement (including bonuses) granted to an applicant exceed 90% unless the project fits within a Level designated by this Article as negotiable, in which case the maximum abatement may not exceed an average of 90% over the term of the abatement agreement.

The following chart shows the conditions to be met to qualify annually for a bonus percentage, and the maximum percentage permissible for each condition met.

Bonus Category and Conditions	% Bonus Abatement
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<u>Bonus Category: Wages –</u>	10% Real or BPP
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The median wage of persons employed at the site of the project in the City of Arlington exceed the City's median wage

<u>Bonus Category: Arlington and/or Certified Minority/Women-Owned Contractors, Suppliers and Service Providers</u>	10% Real or BPP
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Must show Arlington Contractors and/or Certified Minority/Women-Owned Contractors are utilized for a minimum of 30% of the total costs for the project's Construction, Supply and Service Expenses

<u>Bonus Category: Target Industry</u>	10% Real or BPP
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Primary NAICS code of the firm must be defined as a Target Industry (*see Exhibit “A”* of this Policy)

Bonus Terms Defined:

a. “Median Wage”:

- (1) The Median Wage for Arlington will be determined by the Median Earnings for Workers as reported by the most recent release of the American Community Survey available at the time the application is submitted to the City.

To qualify, an applicant’s median wage must exceed the figure determined by multiplying the reported Margin of Error for Median Earnings for Workers times 1.20 and adding this figure to the reported estimate of Median Earnings for Workers. If Margin of Error is not reported, the figure that an applicant’s median wage must exceed will be determined by taking the difference between the reported High Estimate and Estimate and multiplying the difference by 1.20 and adding this figure to the Estimate.

- (2) A facility attempting to qualify for additional levels of abatement under this provision will determine their median wage by considering the gross annual income of the jobs in the facility when ranked by gross annual income for the most recent full calendar year.

- (3) Demonstrating that the value described in item (2) exceeds the value described in item (1) will satisfy qualification for additional abatement under this provision.
 - b. “Arlington and/or Minority/Women-Owned Certified Contractors” means a contractor certified by a local, state or federal agency as a minority or woman-owned contractor, supplier or service provider, or certified by the applicant to be an Arlington contractor.
 - c. “Target Industry Cluster” is described in **Exhibit “A”** to this Policy, attached and made a part of this Policy for all purposes.
7. The maximum percentage of tax abatement granted in accordance with this policy statement shall not exceed 90% or if a project fits within a Level designating the percentage abatement as “negotiable,” the maximum average percentage abatement over the duration of the Agreement cannot exceed 90%.
 8. A project that fits within the definition of “Reconstruction” is eligible to be considered for tax abatement without meeting the minimum Added Taxable Value requirements established in this Article III. However, to be considered for tax abatement, the Reconstruction project must result in either a. or b. as follows, whichever is greater:
 - a. Eligible Property that adds value equal to or exceeding 60% of the applicable minimum Added Taxable Value requirement as established in this Article.
 - b. Eligible Property that restores the value of the facility to an amount equal to or exceeding the value of the facility immediately prior to the Act of God as such value is established by the most recent appraisal of the facility by Tarrant Appraisal District conducted prior to the damage caused by the Act of God.
 9. In cases where the Added Taxable Value guidelines are met for a particular Level but the minimum number of Jobs requirement is not met, the company may qualify for the percentage abatement authorized or the next lower Level.
 10. In cases where the Added Taxable Value requirements are met for Level 1 but the minimum number of Jobs requirement is not met, the company may qualify by demonstrating qualification for the Wages Bonus Level. In these cases, the Wages Bonus Level only qualifies a company for a Level 1 abatement, the company does not receive additional abatement for qualifying for the Wages Bonus Level.
 11. In cases where the Jobs requirement are met for a particular Level but the minimum amount of Added Taxable Value is not met, the company may qualify for the percentage abatement authorized by the next lower level, provided the company can demonstrate meeting the Added Taxable Value required for Level 1 and the wage levels specified in III.G.6.a.2. In these cases, the wage criteria is an additional qualification requirement, the company does not receive additional abatement for qualifying for the Wages Bonus Level.

12. Notwithstanding the guidelines above, the City Council may grant tax abatement if the City Council finds that the abatement is in the public interest because it will facilitate at least one of the following objectives:
 - a. Increase or preserve tax base
 - b. Finance or improve public infrastructure
 - c. Provide quality employment opportunities in the City, or upgrade the skills of existing employees so as to support their advancement to higher-paying jobs
 - d. Provide or help acquire or construct public facilities
 - e. Contribute to the redevelopment or renewal of distressed areas
 - f. Contribute to the diversity and quality of Arlington's business community

H. Additional Criteria: The following additional criteria will be considered in determining the maximum value of tax abatement:

1. Degree to which the project meets the objectives of the City's and Chamber's Economic Development Strategic Plan and other goals of the City's Comprehensive Plan.
2. Degree to which the project makes a substantial contribution to redevelopment efforts or special area plans by enhancing either functional or visual characteristics, e.g. historical structures and facades, traffic circulations, parking, materials and urban design.
3. Number and types of jobs to be created or retained as a result of the project.
4. Sales taxes, hotel taxes or other incomes that would be generated by the project to the benefit of local taxing authorities.
5. Offsite infrastructure investment to be made by applicant as a result of the project.
6. Degree to which the project minimizes investment by the taxing authorities in order to serve the project.

IV.

Procedural Guidelines

- A. Any person, organization or corporation may request tax abatement by filing a written application with the City Manager of the City of Arlington. Consideration will be given to requests from applicants for the confidentiality of proprietary information, consistent with state law.

1. An Application for Incentives form must be completed and signed by an officer of the company with corporate signature authority. The Application must be submitted to the City of Arlington City Manager's Office prior to application for a building permit or issuance of a certificate of occupancy, whichever occurs first, for the project to which the incentive application pertains. The legal entity requesting the tax abatement must be properly formed prior to making an application.

Section V outlines the process for consideration of an abatement request. In order to have an incentive agreement considered and executed in the same year application is made, a completed application should be submitted to the City of Arlington City Manager's Office by October 15th.

2. Applicant shall prepare a descriptive list of the improvements for which abatement is requested. This list shall include the class life of the improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.
3. Applicant shall prepare a plat or map showing the precise location of the property, location of proposed improvements, all roadways within five hundred feet (500') of the site, and all existing land uses and zoning within five hundred feet (500') of the site.
4. Applicant shall address all criteria outlined in Section III, Item E in letter format. In the case of a modernization or expansion, applicant shall also include a statement of the facility's current property value, stated separately for real property improvements and business personal property.
5. Applicant shall prepare a time schedule for undertaking and completing the planned improvements.
6. Applicant shall provide a tax certificate verifying that no taxes are past due on applicant's property located within the proposed reinvestment zone.
7. Applicant shall disclose all insurance matters dealing with a loss of existing facilities, including, but not limited to: proceeds from any insured loss, denial of any claim, or such information as required by the City. Such disclosure shall be provided by the insurer through the applicant. The City Council shall consider such information in determining whether tax abatement is advisable to induce reconstruction of damaged property.

- B. Upon receipt of a completed application, the City Manager, or his/her designee, shall distribute copies of the application to the appropriate City departments for internal review and comments. The City Manager may request additional information as needed to determine applicant's eligibility for tax abatement according to this Policy.

V.

Consideration of Application and Authorization of Agreement

- A. An applicant's request may be first considered by a Council Committee designated to consider such matters. However, the City Council of the City of Arlington shall have final decision-making authority on a tax abatement request. When either the City Council or the Committee considers a tax abatement request, it shall consider the feasibility and impact of the proposed tax abatement by making an estimate of the economic effect of the abatement of taxes and the benefit to the property to be covered by the abatement and to the taxing authorities involved.

The application shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity of the applicant. This analysis may include an economic feasibility study which requires data such as:

- A detailed list of estimated improvement costs
 - A description of the methods of financing
 - All estimated costs and the time when related costs or monetary obligations are to be incurred
 - Historical financial statements and statements of revenues
 - Expenses, net income and cash flow for the first five years of the project which have been audited, reviewed or compiled by a certified public accountant
- B. Not later than the seventh day before the date of the hearing, the City Manager or his designee shall give notice of the hearing in accordance with Tex. Tax Code Ann. Sec. 312.201(d), as amended from time to time.
- C. The City Council of the City of Arlington may hold the public hearing and determine whether the project is feasible and practical and would be of benefit to the land included in the zone and to the municipality after the expiration of an agreement.
- D. The City Council of the City of Arlington may consider adoption of an ordinance designating the area described in the legal description of the proposed project as a commercial/industrial reinvestment zone.
- E. The City Council may consider adoption of a resolution approving the execution of an agreement between the City and the applicant governing the provision of the tax abatement within the reinvestment zone.
- F. Not later than the seventh day before the date on which the City of Arlington enters into a tax abatement agreement, the City Manager or his designee shall deliver written notice to the presiding officer of the governing body of each other taxing entity in which the property to be subject to the agreement is located. The notice shall include a copy of the proposed agreement. This notice is required by Tex. Tax Code Ann. Sec. 312.2041, as amended from time to time. If the Tax Code is amended to require different notice, State law shall prevail until such time as an amendment to this sub-section F. occurs.

- G. The governing bodies of the appropriate taxing authorities may consider ratification of and participation in the tax abatement agreement between the City of Arlington and the applicant.
- H. Any tax abatement agreement will address various issues, including, but not limited to, the following:
 - 1. General description of the project;
 - 2. The percent of value to be abated each year;
 - 3. Method for calculating the value of the abatement including the base year value;
 - 4. Duration of the abatement, including commencement date and termination date;
 - 5. Legal description of the property;
 - 6. Kind, number, location and timetable of planned improvements;
 - 7. Specific terms and conditions to be met by applicant;
 - 8. The proposed use of the facility and nature of construction; and
 - 9. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment.
 - 10. Operating or capital leases, if any.

VI.
Denial of Abatement

- A. All eligible applications for tax abatement shall be considered on a case-by-case basis and except for the instances set forth in Paragraph VI.B. herein, the decision to approve or deny tax abatement shall be made at the discretion of the City Council in accordance with the City of Arlington Policy Statement for Tax Abatement.
- B. Provided, however, neither a reinvestment zone nor abatement agreement may be authorized if it is determined that:
 - 1. There would be an adverse impact on the provision of government service or tax base;
 - 2. The applicant has insufficient financial capacity to complete the project;
 - 3. Planned or potential use of the property would constitute a hazard to public safety or health; or
 - 4. Violation of other codes or laws exists.

- C. Nothing herein shall imply or suggest that the City of Arlington is under any obligation or duty to provide tax abatement to any eligible applicant, or that any applicant has an entitlement to tax abatement except as may be determined on a case by case basis by the City Council.

VII.
Taxability

From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

- A. The value of ineligible property shall be fully taxable;
- B. The base year value property shall be fully taxable;
- C. The additional value of eligible property shall be taxed in the manner and for the period provided for in the abatement agreement; and
- D. The additional value of eligible property shall be fully taxable at the end of the abatement period, and in subsequent tax years.

VIII.
Recapture

- A. Should a project granted tax abatement cease to operate; or should the terms of the agreement not be satisfied, including projected Added Taxable Value or the creation of the number of new jobs; or should the ad valorem taxes on any property owed to the City of Arlington become delinquent; then in any such event the tax abatement agreement shall be subject to cancellation or modification as provided in the tax abatement agreement, and all or a portion of the abated taxes shall be subject to recapture. The amount of abated taxes to be recaptured shall be at the sole discretion of the City Council.
- B. Each tax abatement agreement shall contain a provision indicating that the tax abatement agreement does not affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. The tax abatement agreement shall state that the tax lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture in accordance with the tax abatement agreement.
- C. If, after receiving an incentive or a “public subsidy” as defined in Government Code § 2264.001(3), the business or a branch, division, or department of the business, is convicted of a violation of knowingly employing an undocumented worker under 8 U.S.C. § 1324a(f), the business shall repay the amount of the incentive or the public subsidy with interest, at the rate and according to the other terms provided by an agreement required under Government Code § 2264.053, not later than the 120th day after the date the City notifies the business of the violation.

IX.
Administration

- A. Access to Facility: The agreement shall stipulate that employees and/or designated representatives of the taxing authorities will have access to the facility during the term of the agreement to inspect the facility during the term of the agreement to determine if the terms and conditions of the agreement are being met. All inspections shall be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility; provided however, the City may conduct “spot” inspections requiring no advance notification to applicant. All inspections will be made with one or more representatives of the company or individual, and in accordance with its safety standards.
- B. Reports, Audits and Inspections: Owners of facilities and/or other eligible property for which tax abatement is granted shall annually certify to City that they are in compliance with the terms of the agreement. In addition, owners shall provide reports and records reasonably necessary to support each year of the agreement. Such reports and records shall include information supporting job creation and retention requirements, information on property purchases, and status reports on the project’s progress. Upon completion of a project that, in accordance with Article III of this Policy, meets the required criteria and thereby fits within a Level described as “Negotiable,” property owners shall provide City with a final report describing all property for which tax abatement is granted. This final report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. City periodically evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement. City shall have the right to audit the books and records related to the eligible property and supporting the eligible property reports.
- C. Transfer or Assignment: A contract for tax abatement may be transferred or assigned by the original applicant to a new owner upon the approval of the City Council of the City of Arlington.

(Revised 10/28/14)

Exhibit "A"

Target Industries Sectors Eligible for Tax Abatement

Advanced Materials and Manufacturing	
<u>NAICS CODE</u>	<u>Description</u>
326	Plastics and Rubber Products Manufacturing
3261	Plastics Product Manufacturing
32611	Plastics Packaging Materials and Unlaminated Film and Sheet Manufacturing
326111	Plastics Bag Manufacturing
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing
32612	Plastics Pipe, Pipe Fitting, and Unlaminated Profile Shape Manufacturing
326121	Unlaminated Plastics Profile Shape Manufacturing
326122	Plastics Pipe and Pipe Fitting Manufacturing
32613	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing
32614	Polystyrene Foam Product Manufacturing
32615	Urethane and Other Foam Product (except Polystyrene) Manufacturing
32616	Plastics Bottle Manufacturing
32619	Other Plastics Product Manufacturing
326191	Plastics Plumbing Fixture Manufacturing
326192	Resilient Floor Covering Manufacturing
326199	All Other Plastics Product Manufacturing
3262	Rubber Product Manufacturing
32621	Tire Manufacturing
326211	Tire Manufacturing (except Retreading)
326212	Tire Retreading
32622	Rubber and Plastics Hoses and Belting Manufacturing
32629	Other Rubber Product Manufacturing
326291	Rubber Product Manufacturing for Mechanical Use
326299	All Other Rubber Product Manufacturing
332	Fabricated Metal Product Manufacturing
3321	Forging and Stamping
332111	Iron and Steel Forging
332112	Nonferrous Forging
332114	Custom Roll Forming
332115	Crown and Closure Manufacturing
332116	Metal Stamping
332117	Powder Metallurgy Part Manufacturing
3322	Cutlery and Handtool Manufacturing
332211	Cutlery and Flatware (except Precious) Manufacturing
332212	Hand and Edge Tool Manufacturing
332213	Saw Blade and Handsaw Manufacturing
332214	Kitchen Utensil, Pot, and Pan Manufacturing
3323	Architectural and Structural Metals Manufacturing
33231	Plate Work and Fabricated Structural Product Manufacturing
332311	Prefabricated Metal Building and Component Manufacturing
332312	Fabricated Structural Metal Manufacturing
332313	Plate Work Manufacturing
33232	Ornamental and Architectural Metal Products Manufacturing
332321	Metal Window and Door Manufacturing
332322	Sheet Metal Work Manufacturing

Target Industries Sectors Eligible for Tax Abatement

332323	Ornamental and Architectural Metal Work Manufacturing
3325	Hardware Manufacturing
3326	Spring and Wire Product Manufacturing
332611	Spring (Heavy Gauge) Manufacturing
332612	Spring (Light Gauge) Manufacturing
332618	Other Fabricated Wire Product Manufacturing
33272	Turned Product and Screw, Nut, and Bolt Manufacturing
332721	Precision Turned Product Manufacturing
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing
3328	Coating, Engraving, Heat Treating, and Allied Activities
332811	Metal Heat Treating
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring
3329	Other Fabricated Metal Product Manufacturing
33291	Metal Valve Manufacturing
332911	Industrial Valve Manufacturing
332912	Fluid Power Valve and Hose Fitting Manufacturing
332913	Plumbing Fixture Fitting and Trim Manufacturing
332919	Other Metal Valve and Pipe Fitting Manufacturing
332991	Ball and Roller Bearing Manufacturing
332994	Small Arms Manufacturing
332996	Fabricated Pipe and Pipe Fitting Manufacturing
332997	Industrial Pattern Manufacturing
332998	Enameled Iron and Metal Sanitary Ware Manufacturing
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
3331	Agriculture, Construction, and Mining Machinery Manufacturing
33311	Agricultural Implement Manufacturing
333111	Farm Machinery and Equipment Manufacturing
333112	Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing
33312	Construction Machinery Manufacturing
33313	Mining and Oil and Gas Field Machinery Manufacturing
333131	Mining Machinery and Equipment Manufacturing
333132	Oil and Gas Field Machinery and Equipment Manufacturing
3332	Industrial Machinery Manufacturing
33321	Sawmill and Woodworking Machinery Manufacturing
33322	Plastics and Rubber Industry Machinery Manufacturing
33329	Other Industrial Machinery Manufacturing
333291	Paper Industry Machinery Manufacturing
333292	Textile Machinery Manufacturing
333293	Printing Machinery and Equipment Manufacturing
333294	Food Product Machinery Manufacturing
333295	Semiconductor Machinery Manufacturing
333298	All Other Industrial Machinery Manufacturing
3333	Commercial and Service Industry Machinery Manufacturing
333311	Automatic Vending Machine Manufacturing
333312	Commercial Laundry, Drycleaning, and Pressing Machine Manufacturing
333313	Office Machinery Manufacturing
333314	Optical Instrument and Lens Manufacturing
333315	Photographic and Photocopying Equipment Manufacturing

Target Industries Sectors Eligible for Tax Abatement

333319	Other Commercial and Service Industry Machinery Manufacturing
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing
333411	Air Purification Equipment Manufacturing
333412	Industrial and Commercial Fan and Blower Manufacturing
333414	Heating Equipment (except Warm Air Furnaces) Manufacturing
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
3335	Metalworking Machinery Manufacturing
333511	Industrial Mold Manufacturing
333512	Machine Tool (Metal Cutting Types) Manufacturing
333513	Machine Tool (Metal Forming Types) Manufacturing
333514	Special Die and Tool, Die Set, Jig, and Fixture Manufacturing
333515	Cutting Tool and Machine Tool Accessory Manufacturing
333516	Rolling Mill Machinery and Equipment Manufacturing
333518	Other Metalworking Machinery Manufacturing
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing
333611	Turbine and Turbine Generator Set Units Manufacturing
333612	Speed Changer, Industrial High-Speed Drive, and Gear Manufacturing
333613	Mechanical Power Transmission Equipment Manufacturing
333618	Other Engine Equipment Manufacturing
3339	Other General Purpose Machinery Manufacturing
33391	Pump and Compressor Manufacturing
333911	Pump and Pumping Equipment Manufacturing
333912	Air and Gas Compressor Manufacturing
333913	Measuring and Dispensing Pump Manufacturing
33392	Material Handling Equipment Manufacturing
333921	Elevator and Moving Stairway Manufacturing
333922	Conveyor and Conveying Equipment Manufacturing
333923	Overhead Traveling Crane, Hoist, and Monorail System Manufacturing
333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing
33399	All Other General Purpose Machinery Manufacturing
333991	Power-Driven Handtool Manufacturing
333992	Welding and Soldering Equipment Manufacturing
333993	Packaging Machinery Manufacturing
333994	Industrial Process Furnace and Oven Manufacturing
333995	Fluid Power Cylinder and Actuator Manufacturing
333996	Fluid Power Pump and Motor Manufacturing
333997	Scale and Balance (except Laboratory) Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
3341	Computer and Peripheral Equipment Manufacturing
334111	Electronic Computer Manufacturing
334112	Computer Storage Device Manufacturing
334113	Computer Terminal Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
3342	Communications Equipment Manufacturing
33421	Telephone Apparatus Manufacturing
33422	Radio and Television Broadcasting and Wireless Communications Equipment Manufa
33429	Other Communications Equipment Manufacturing

Target Industries Sectors Eligible for Tax Abatement

3343	Audio and Video Equipment Manufacturing
3344	Semiconductor and Other Electronic Component Manufacturing
334411	Electron Tube Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334414	Electronic Capacitor Manufacturing
334415	Electronic Resistor Manufacturing
334416	Electronic Coil, Transformer, and Other Inductor Manufacturing
334417	Electronic Connector Manufacturing
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing
334419	Other Electronic Component Manufacturing
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and
334512	Automatic Environmental Control Manufacturing for Residential, Commercial, and
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and
334514	Totalizing Fluid Meter and Counting Device Manufacturing
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical
334516	Analytical Laboratory Instrument Manufacturing
334517	Irradiation Apparatus Manufacturing
334518	Watch, Clock, and Part Manufacturing
334519	Other Measuring and Controlling Device Manufacturing
3346	Manufacturing and Reproducing Magnetic and Optical Media
334611	Software Reproducing
334612	Prerecorded Compact Disc (except Software), Tape, and Record Reproducing
334613	Magnetic and Optical Recording Media Manufacturing
335	Electrical Equipment and Appliance Manufacturing
3351	Electric Lighting Equipment Manufacturing
33511	Electric Lamp Bulb and Part Manufacturing
33512	Lighting Fixture Manufacturing
335121	Residential Electric Lighting Fixture Manufacturing
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
335129	Other Lighting Equipment Manufacturing
3352	Household Appliance Manufacturing
33521	Small Electrical Appliance Manufacturing
335211	Electric Housewares and Household Fan Manufacturing
335212	Household Vacuum Cleaner Manufacturing
33522	Major Appliance Manufacturing
335221	Household Cooking Appliance Manufacturing
335222	Household Refrigerator and Home Freezer Manufacturing
335224	Household Laundry Equipment Manufacturing
335228	Other Major Household Appliance Manufacturing
3353	Electrical Equipment Manufacturing
335311	Power, Distribution, and Specialty Transformer Manufacturing
335312	Motor and Generator Manufacturing
335313	Switchgear and Switchboard Apparatus Manufacturing
335314	Relay and Industrial Control Manufacturing
3359	Other Electrical Equipment and Component Manufacturing
33591	Battery Manufacturing
335911	Storage Battery Manufacturing
335912	Primary Battery Manufacturing
33592	Communication and Energy Wire and Cable Manufacturing

Target Industries Sectors Eligible for Tax Abatement

335921	Fiber Optic Cable Manufacturing
335929	Other Communication and Energy Wire Manufacturing
33593	Wiring Device Manufacturing
335931	Current-Carrying Wiring Device Manufacturing
335932	Noncurrent-Carrying Wiring Device Manufacturing
33599	All Other Electrical Equipment and Component Manufacturing
335991	Carbon and Graphite Product Manufacturing
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
336	Transportation Equipment Manufacturing
3361	Motor Vehicle Manufacturing
33611	Automobile and Light Duty Motor Vehicle Manufacturing
336111	Automobile Manufacturing
336112	Light Truck and Utility Vehicle Manufacturing
33612	Heavy Duty Truck Manufacturing
3362	Motor Vehicle Body and Trailer Manufacturing
336211	Motor Vehicle Body Manufacturing
336212	Truck Trailer Manufacturing
336213	Motor Home Manufacturing
336214	Travel Trailer and Camper Manufacturing
3363	Motor Vehicle Parts Manufacturing
33631	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing
336311	Carburetor, Piston, Piston Ring, and Valve Manufacturing
336312	Gasoline Engine and Engine Parts Manufacturing
33632	Motor Vehicle Electrical and Electronic Equipment Manufacturing
336321	Vehicular Lighting Equipment Manufacturing
336322	Other Motor Vehicle Electrical and Electronic Equipment Manufacturing
33633	Motor Vehicle Steering and Suspension Components (except Spring) Manufacturing
33634	Motor Vehicle Brake System Manufacturing
33635	Motor Vehicle Transmission and Power Train Parts Manufacturing
33636	Motor Vehicle Seating and Interior Trim Manufacturing
33637	Motor Vehicle Metal Stamping
33639	Other Motor Vehicle Parts Manufacturing
336391	Motor Vehicle Air-Conditioning Manufacturing
336399	All Other Motor Vehicle Parts Manufacturing
3364	Aerospace Product and Parts Manufacturing
336411	Aircraft Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
336414	Guided Missile and Space Vehicle Manufacturing
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing
3365	Railroad Rolling Stock Manufacturing
3366	Ship and Boat Building
336611	Ship Building and Repairing
336612	Boat Building
3369	Other Transportation Equipment Manufacturing
336991	Motorcycle, Bicycle, and Parts Manufacturing
336992	Military Armored Vehicle, Tank, and Tank Component Manufacturing
336999	All Other Transportation Equipment Manufacturing
3391	Medical Equipment & Supplies Manufacturing
33911	Medical Equipment and Supplies Manufacturing

Target Industries Sectors Eligible for Tax Abatement

339111	Laboratory Apparatus and Furniture Manufacturing
339112	Surgical and Medical Instrument Manufacturing
339113	Surgical Appliance and Supplies Manufacturing
339114	Dental Equipment and Supplies Manufacturing
339115	Ophthalmic Goods Manufacturing
339116	Dental Laboratories
3254	Pharmaceutical & Medicine Manufacturing
32541	Pharmaceutical and Medicine Manufacturing
325411	Medicinal and Botanical Manufacturing
325412	Pharmaceutical Preparation Manufacturing
325413	In-Vitro Diagnostic Substance Manufacturing
325414	Biological Product (except Diagnostic) Manufacturing

Health Care and Life Sciences

621	Ambulatory Health Care Services
6211	Offices of Physicians
6212	Offices of Dentists
6213	Offices of Other Health Practitioners
62131	Offices of Chiropractors
62132	Offices of Optometrists
62133	Offices of Mental Health Practitioners (except Physicians)
62134	Offices of Physical, Occupational and Speech Therapists, and Audiologists
62139	Offices of All Other Health Practitioners
621391	Offices of Podiatrists
621399	Offices of All Other Miscellaneous Health Practitioners
6214	Outpatient Care Centers
62141	Family Planning Centers
62142	Outpatient Mental Health and Substance Abuse Centers
62149	Other Outpatient Care Centers
621491	HMO Medical Centers
621492	Kidney Dialysis Centers
621493	Freestanding Ambulatory Surgical and Emergency Centers
621498	All Other Outpatient Care Centers
6215	Medical & Diagnostic Laboratories
62151	Medical and Diagnostic Laboratories
621511	Medical Laboratories
621512	Diagnostic Imaging Centers
6216	Home Health Care Services
6219	Other Ambulatory Health Care Services
62191	Ambulance Services
62199	All Other Ambulatory Health Care Services
621991	Blood and Organ Banks
621999	All Other Miscellaneous Ambulatory Health Care Services
622	Hospitals
6221	General Medical & Surgical Hospitals
6222	Psychiatric & Substance Abuse Hospitals
6223	Other Hospitals
623	Nursing & Residential Care Facilities

Target Industries Sectors Eligible for Tax Abatement

6231	Nursing Care Facilities
6232	Residential Mental Health Facilities
62321	Residential Mental Retardation Facilities
62322	Residential Mental Health and Substance Abuse Facilities
6233	Community Care Facilities for the Elderly
6239	Other Residential Care Facilities

Hospitality and Tourism

711	Performing Arts and Spectator Sports
7111	Performing Arts Companies
71111	Theater Companies and Dinner Theaters
71112	Dance Companies
71113	Musical Groups and Artists
71119	Other Performing Arts Companies
7112	Spectator Sports
711211	Sports Teams and Clubs
711212	Racetracks
711219	Other Spectator Sports
7113	Promoters of Performing Arts, Sports, and Similar Events
71131	Promoters of Performing Arts, Sports, and Similar Events with Facilities
71132	Promoters of Performing Arts, Sports, and Similar Events without Facilities
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
7115	Independent Artists, Writers, and Performers
712	Museums, Historical Sites, Zoos, and Parks
7121	Museums, Historical Sites, and Similar Institutions
71211	Museums
71212	Historical Sites
71213	Zoos and Botanical Gardens
71219	Nature Parks and Other Similar Institutions
713	Amusements, Gambling, and Recreation
7131	Amusement Parks and Arcades
71311	Amusement and Theme Parks
71312	Amusement Arcades
7132	Gambling Industries
71321	Casinos (except Casino Hotels)
71329	Other Gambling Industries
7139	Other Amusement and Recreation Industries
71391	Golf Courses and Country Clubs
71392	Skiing Facilities
71393	Marinas
71394	Fitness and Recreational Sports Centers
71395	Bowling Centers
71399	All Other Amusement and Recreation Industries
721	Accommodations*
7211	Traveler Accommodation
72111	Hotels (except Casino Hotels) and Motels
72112	Casino Hotels
72119	Other Traveler Accommodation
721191	Bed-and-Breakfast Inns

Target Industries Sectors Eligible for Tax Abatement

721199	All Other Traveler Accommodation
7212	RV (Recreational Vehicle) Parks and Recreational Camps
721211	RV (Recreational Vehicle) Parks and Campgrounds
721214	Recreational and Vacation Camps (except Campgrounds)
7213	Rooming and Boarding Houses
	* Full Service Hotels only - "Full Service Hotel" is a well designed building, constructed with superior materials, workmanship and finish, offered as a temporary lodging facility. The hotel will provide services to its guests outside of lodging such as a distinctive restaurant, concierge service, room service, business services etc. The facility has a strategic focus on attracting convention-related group business and will house, be co-located with, or located in close proximity to convention facilities capable of handling 1,000 people. The quality of the facility will meet or exceed the minimum standards required to qualify as a Mobil Four-Star® or AAA Four-Diamond® hotel.

722 Food Services and Drinking Places

7221	Full-Service Restaurants
7222	Limited-Service Eating Places
722211	Limited-Service Restaurants
722212	Cafeterias
722213	Snack and Nonalcoholic Beverage Bars
7223	Special Food Services
72231	Food Service Contractors
72232	Caterers
72233	Mobile Food Services
7224	Drinking Places (Alcoholic Beverages)

Logistics and Trade

4811	Scheduled Air Transportation
4812	Nonscheduled Air Transportation
4821	Rail Transportation
4841	General Freight Trucking
4842	Specialized Freight Trucking
48421	Used Household and Office Goods Moving
48422	Specialized Freight (except Used Goods) Trucking, Local
48423	Specialized Freight (except Used Goods) Trucking, Long-Distance
4881	Support Activities for Air Transportation
4882	Support Activities for Rail Transportation
4884	Support Activities for Road Transportation
48841	Motor Vehicle Towing
48849	Other Support Activities for Road Transportation
4885	Freight Transportation Arrangement
4889	Other Support Activities for Transportation
4931	Warehousing and Storage
423	Merchant Wholesalers, Durable Goods
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers
42311	Automobile and Other Motor Vehicle Merchant Wholesalers
42312	Motor Vehicle Supplies and New Parts Merchant Wholesalers
42313	Tire and Tube Merchant Wholesalers
42314	Motor Vehicle Parts (Used) Merchant Wholesalers

Target Industries Sectors Eligible for Tax Abatement

4232	Furniture and Home Furnishing Merchant Wholesalers
42321	Furniture Merchant Wholesalers
42322	Home Furnishing Merchant Wholesalers
4233	Lumber and Other Construction Materials Merchant Wholesalers
42331	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers
42332	Brick, Stone, and Related Construction Material Merchant Wholesalers
42333	Roofing, Siding, and Insulation Material Merchant Wholesalers
42339	Other Construction Material Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
42341	Photographic Equipment and Supplies Merchant Wholesalers
42342	Office Equipment Merchant Wholesalers
42343	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers
42344	Other Commercial Equipment Merchant Wholesalers
42345	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers
42346	Ophthalmic Goods Merchant Wholesalers
42349	Other Professional Equipment and Supplies Merchant Wholesalers
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers
42351	Metal Service Centers and Other Metal Merchant Wholesalers
42352	Coal and Other Mineral and Ore Merchant Wholesalers
4236	Electrical and Electronic Goods Merchant Wholesalers
42361	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
42362	Electrical and Electronic Appliance, Television, and Radio Set Merchant Wholesalers
42369	Other Electronic Parts and Equipment Merchant Wholesalers
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers
42371	Hardware Merchant Wholesalers
42372	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers
42373	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
42374	Refrigeration Equipment and Supplies Merchant Wholesalers
4238	Machinery, Equipment, and Supplies Merchant Wholesalers
42381	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers
42382	Farm and Garden Machinery and Equipment Merchant Wholesalers
42383	Industrial Machinery and Equipment Merchant Wholesalers
42384	Industrial Supplies Merchant Wholesalers
42385	Service Establishment Equipment and Supplies Merchant Wholesalers
42386	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers
4239	Miscellaneous Durable Goods Merchant Wholesalers
42391	Sporting and Recreational Goods and Supplies Merchant Wholesalers
42392	Toy and Hobby Goods and Supplies Merchant Wholesalers
42393	Recyclable Material Merchant Wholesalers
42394	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers
42399	Other Miscellaneous Durable Goods Merchant Wholesalers
424	Merchant Wholesalers, Nondurable Goods
4241	Paper and Paper Product Merchant Wholesalers
42411	Printing and Writing Paper Merchant Wholesalers
42412	Stationery and Office Supplies Merchant Wholesalers
42413	Industrial and Personal Service Paper Merchant Wholesalers
4242	Drugs and Druggists' Sundries Merchant Wholesalers
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers
42431	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers
42432	Men's and Boys' Clothing and Furnishings Merchant Wholesalers

Target Industries Sectors Eligible for Tax Abatement

42433	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers
42434	Footwear Merchant Wholesalers
4244	Grocery and Related Product Wholesalers
42441	General Line Grocery Merchant Wholesalers
42442	Packaged Frozen Food Merchant Wholesalers
42443	Dairy Product (except Dried or Canned) Merchant Wholesalers
42444	Poultry and Poultry Product Merchant Wholesalers
42445	Confectionery Merchant Wholesalers
42446	Fish and Seafood Merchant Wholesalers
42447	Meat and Meat Product Merchant Wholesalers
42448	Fresh Fruit and Vegetable Merchant Wholesalers
42449	Other Grocery and Related Products Merchant Wholesalers
4245	Farm Product Raw Material Merchant Wholesalers
42451	Grain and Field Bean Merchant Wholesalers
42452	Livestock Merchant Wholesalers
42459	Other Farm Product Raw Material Merchant Wholesalers
4246	Chemical and Allied Products Merchant Wholesalers
42461	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers
42469	Other Chemical and Allied Products Merchant Wholesalers
4247	Petroleum and Petroleum Products Merchant Wholesalers
42471	Petroleum Bulk Stations and Terminals
42472	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers
42481	Beer and Ale Merchant Wholesalers
42482	Wine and Distilled Alcoholic Beverage Merchant Wholesalers
4249	Miscellaneous Nondurable Goods Merchant Wholesalers
42491	Farm Supplies Merchant Wholesalers
42492	Book, Periodical, and Newspaper Merchant Wholesalers
42493	Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers
42494	Tobacco and Tobacco Product Merchant Wholesalers
42495	Paint, Varnish, and Supplies Merchant Wholesalers
42499	Other Miscellaneous Nondurable Goods Merchant Wholesalers
425	Electronic Markets and Agents and Brokers
4251	Wholesale Electronic Markets and Agents and Brokers
42511	Business to Business Electronic Markets
42512	Wholesale Trade Agents and Brokers

Professional, Business, and Information Services

5112	Software Publishers
5182	Data Processing and Related Services
5221	Depository Credit Intermediation
5222	Non-depository Credit Intermediation
52221	Credit Card Issuing
52222	Sales Financing
52229	Other Nondepository Credit Intermediation
522291	Consumer Lending
522292	Real Estate Credit
522293	International Trade Financing
522294	Secondary Market Financing

Target Industries Sectors Eligible for Tax Abatement

522298	All Other Nondepository Credit Intermediation
5223	Activities Related to Credit Intermediation
52231	Mortgage and Nonmortgage Loan Brokers
52232	Financial Transactions Processing, Reserve, and Clearinghouse Activities
52239	Other Activities Related to Credit Intermediation
5231	Securities and Commodity Contracts Brokerages
5239	Other Financial Investment Activities
52391	Miscellaneous Intermediation
52392	Portfolio Management
52393	Investment Advice
52399	All Other Financial Investment Activities
523991	Trust, Fiduciary, and Custody Activities
523999	Miscellaneous Financial Investment Activities
5241	Insurance Carriers
5242	Insurance Agencies, Brokerages and Related
52421	Insurance Agencies and Brokerages
52429	Other Insurance Related Activities
524291	Claims Adjusting
524292	Third Party Administration of Insurance and Pension Funds
524298	All Other Insurance Related Activities
5259	Other Investment Pools and Funds
52591	Open-End Investment Funds
52592	Trusts, Estates, and Agency Accounts
52593	Real Estate Investment Trusts
52599	Other Financial Vehicles
5411	Legal Services
54111	Offices of Lawyers
54112	Offices of Notaries
54119	Other Legal Services
541191	Title Abstract and Settlement Offices
541199	All Other Legal Services
5412	Accounting and Bookkeeping Services
54121	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
541211	Offices of Certified Public Accountants
541213	Tax Preparation Services
541214	Payroll Services
541219	Other Accounting Services
5413	Architectural, Engineering, and Related Services
54131	Architectural Services
541310	Architectural Services
54132	Landscape Architectural Services
541320	Landscape Architectural Services
54133	Engineering Services
541330	Engineering Services
54134	Drafting Services
541340	Drafting Services
54135	Building Inspection Services
541350	Building Inspection Services
54136	Geophysical Surveying and Mapping Services
541360	Geophysical Surveying and Mapping Services
54137	Surveying and Mapping (except Geophysical) Services

Target Industries Sectors Eligible for Tax Abatement

541370	Surveying and Mapping (except Geophysical) Services
54138	Testing Laboratories
541380	Testing Laboratories
5414	Specialized Design Services
54141	Interior Design Services
541410	Interior Design Services
54142	Industrial Design Services
541420	Industrial Design Services
54143	Graphic Design Services
541430	Graphic Design Services
54149	Other Specialized Design Services
541490	Other Specialized Design Services
5415	Computer Systems Design and Related Services
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services
5416	Management and Technical Consulting Services
54161	Management Consulting Services
541611	Administrative Management and General Management Consulting Services
541612	Human Resources and Executive Search Consulting Services
541613	Marketing Consulting Services
541614	Process, Physical Distribution, and Logistics Consulting Services
541618	Other Management Consulting Services
5417	Scientific Research and Development Services
5418	Advertising and Related Services
54181	Advertising Agencies
54182	Public Relations Agencies
54183	Media Buying Agencies
54184	Media Representatives
54185	Display Advertising
54186	Direct Mail Advertising
54187	Advertising Material Distribution Services
54189	Other Services Related to Advertising
5611	Office Administrative Services
5614	Business Support Services
56141	Document Preparation Services
56142	Telephone Call Centers
561421	Telephone Answering Services
561422	Telemarketing Bureaus
56143	Business Service Centers
561431	Private Mail Centers
561439	Other Business Service Centers (including Copy Shops)
56144	Collection Agencies
56145	Credit Bureaus
56149	Other Business Support Services
561491	Repossession Services
561492	Court Reporting and Stenotype Services
561499	All Other Business Support Services

Preferred Uses

Target Industries Sectors Eligible for Tax Abatement

Regional, National, or International Corporate Headquarters with employment of at least 100.

Research & Development facilities with employment of at least 100.

“Class A Office Building” is a high quality, well designed office building(s) with excellent location and access using superior materials, workmanship, and finish that can compete for the most prestigious tenants. The minimum size of a Class A Office Building shall be 20,000 square feet per floor or a building total of 60,000 square feet except for the Downtown – Centre Arlington Enterprise Zone. The minimum size of a Class A Office Building in the Downtown – Centre Arlington Enterprise Zone shall be 7,500 square feet per floor or a building total of 20,000 square feet.

“Class A Medical Office Building” is a Class A Office Building featuring additional capabilities required to serve as functional workspace for the performance of medical service delivery or medical research.

Exhibit "B"

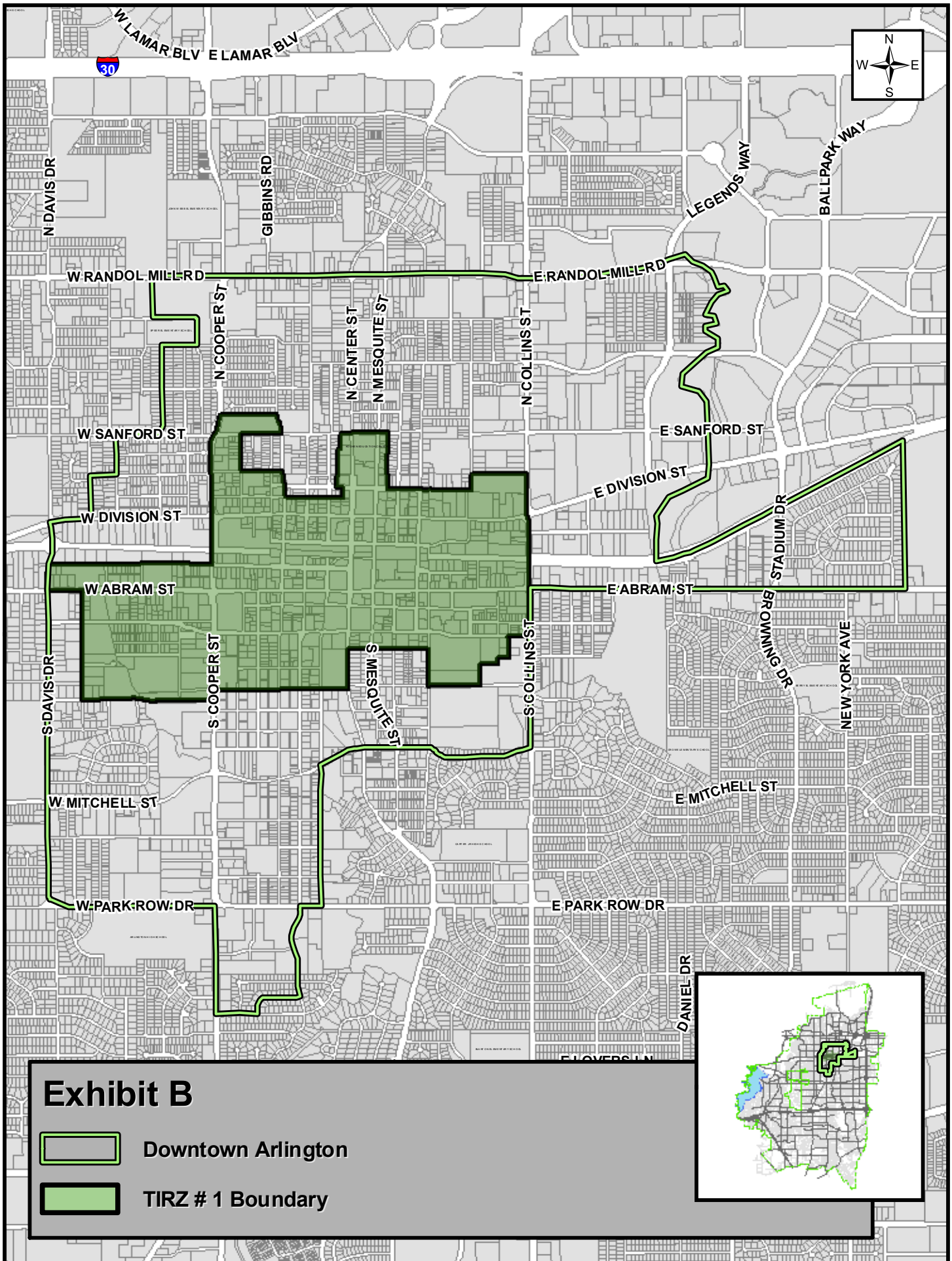


Exhibit "C"

Exhibit "D"

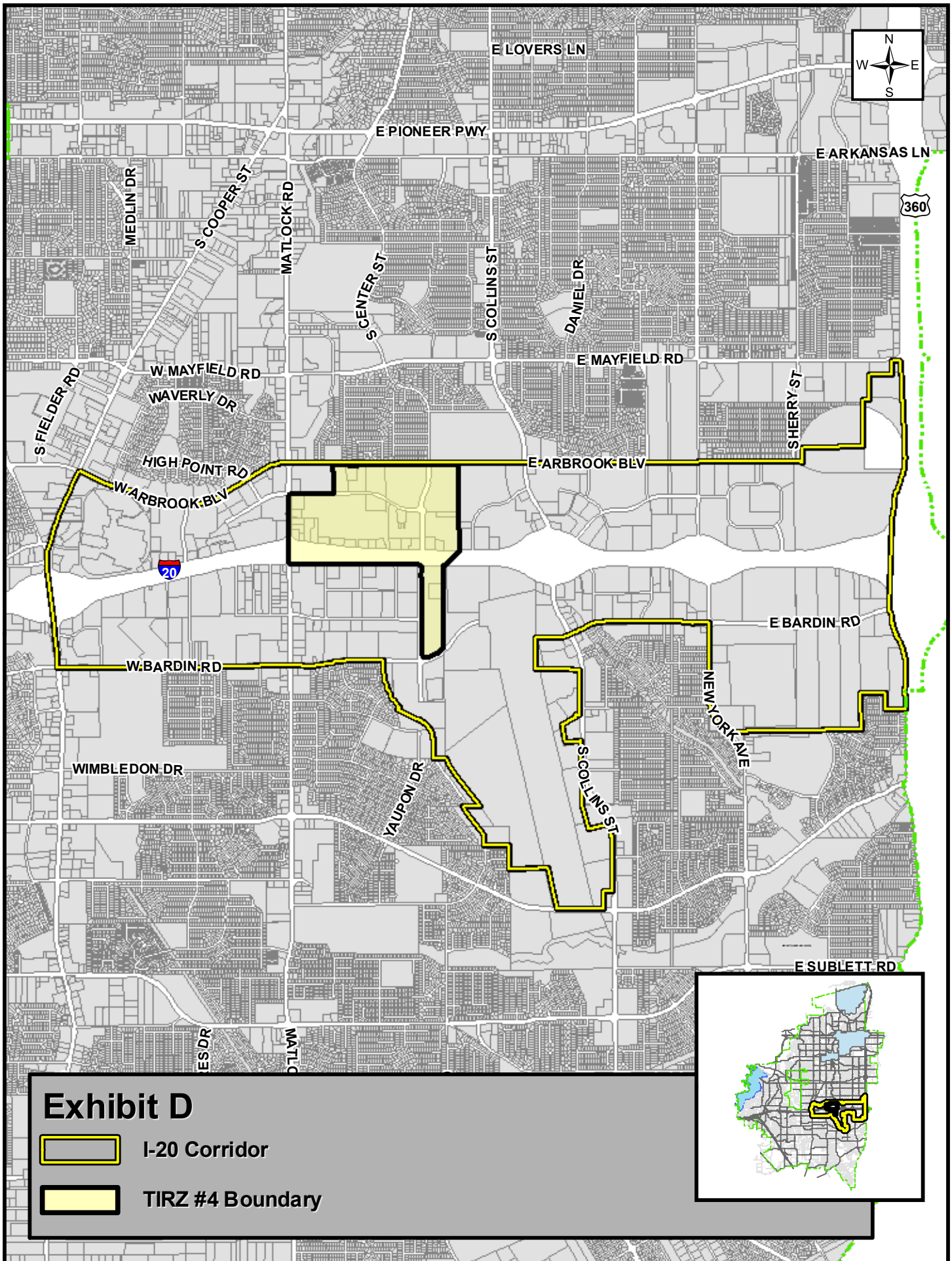





Exhibit "E"

Legend

-  Municipal Boundary
-  Census Tract
-  Block Group > 51% Low-Mod

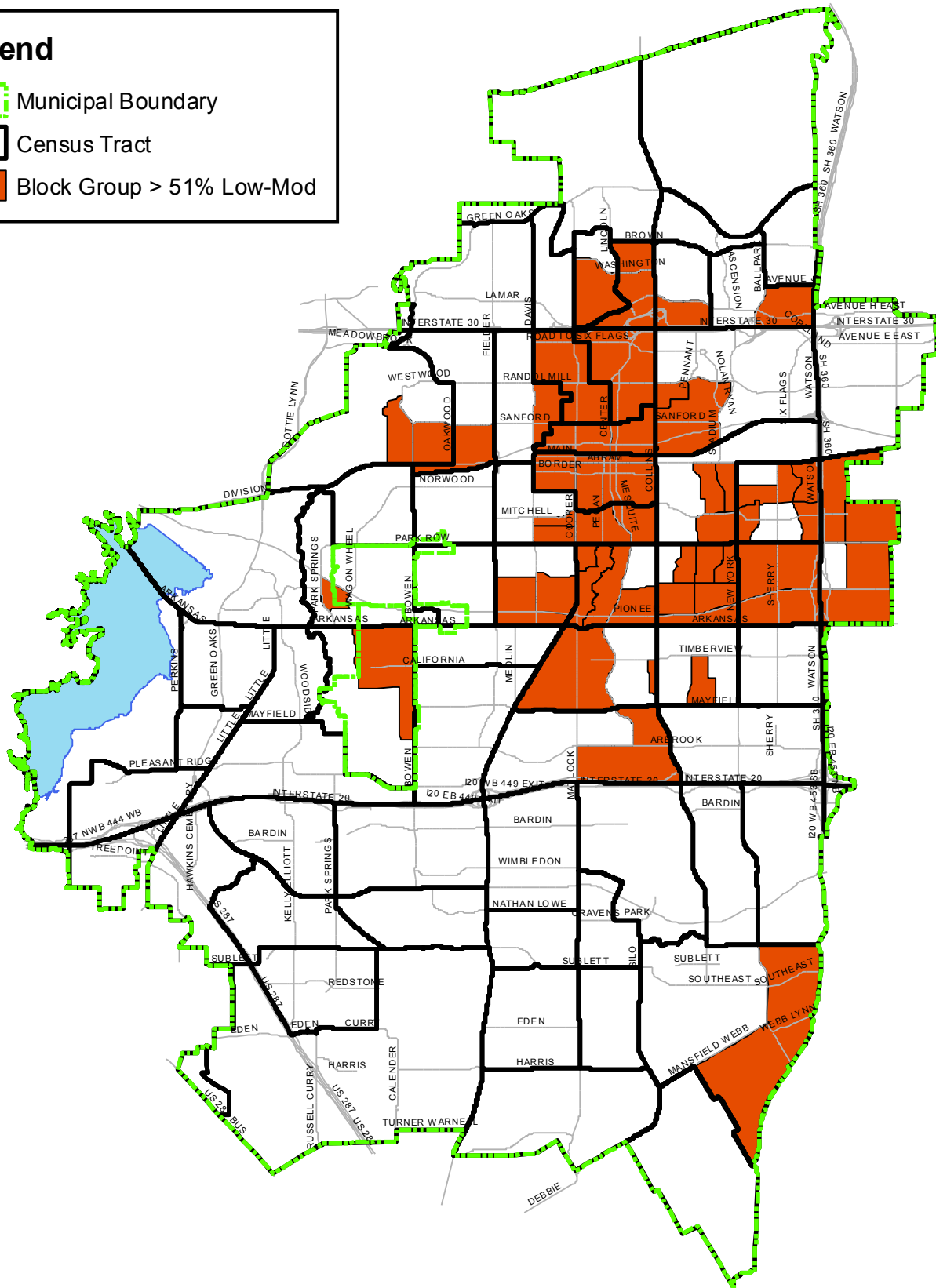


Exhibit E

CDBG Eligible Areas



Application for Incentives



APPLICATION FOR INCENTIVES

1. Beneficiary of Incentives _____
Property Owner ____, Business Owner ____, Leaseholder ____ (check all that apply)
Mailing address _____
Telephone _____ Fax _____
Cell Phone _____ Email _____
2. Contact Information _____
Title _____
Mailing address _____
Telephone _____ Fax _____
Cell Phone _____ Email _____
Relationship to Beneficiary: Same as above ____, Authorized Representative ____
3. Property address _____
4. Property legal description (metes & bounds) _____

Please check type of application you are submitting: Standard ☐ Tax Increment Financing/Reinvestment Zone ☐

5. Attach a **complete** description of the project including:
 - A. Method of financing
 - B. Primary business activity at this site
 - C. Complete description of all land uses
 - D. Time schedule for completion of improvements
 - E. NAICS Industry Code
 - F. Descriptive list of improvements
 1. Size _____ sq. ft.
 2. Cost of construction \$ _____
 3. Value of Personal Property
 - a. Inventory \$ _____
What percent is eligible for Freeport Exemption (exported from Texas within 175 days) ____ %
 - b. Equipment, machinery, furnishings, etc. \$ _____
 - G. What taxable sales will be generated at this location \$ _____ per year
6. These documents **must** be submitted prior to the City staff's review of the application:
 - Property tax statement from the County Tax Office and/or Tax Certificate
 - Plat/map of project location
 - Drawings/Photographs to illustrate the project
7. Level of abatement requested _____% _____ Years on _____ Real Property or _____ Business Personal Property
8. Describe, in detail, all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc.



9. Estimated taxable value of property improvements: Real _____ Personal _____
Estimated taxable value is the value of the improvements on January 1 of the year after the improvements are made.

10. Job Creation & Retention:

Number of Full Time Equivalent Jobs	Avg. Annual, Monthly or Hourly Wage	Benefits Provided	# of Positions Created	# of Positions Retained
Executive				
Professional				
Managerial				
Administrative				
General Labor				
Other				
Total				

11. Infrastructure improvements/modifications sought:

12. Will application be made to Tarrant County? _____ Yes _____ No
If yes, please contact Tarrant County Administrator's Office (817-884-2643) for separate application

13. On an attachment, describe why incentives are necessary for the success of this project and, how the improvements will benefit the property at the conclusion of the incentives (Include any documentation necessary to substantiate your request and if any other locations are under consideration).

14. I am authorized to sign this application for incentives and to certify through my signature below that the business for whom I am authorized to sign, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. If, after receiving an incentive or a "public subsidy" as defined in Government Code § 2264.001(3), the business or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. § 1324a(f), the business shall repay the amount of the incentive or the public subsidy with interest, at the rate and according to the other terms provided by an agreement required under Government Code § 2264.053, not later than the 120th day after the date the City notifies the business of the violation.

I certify that the information contained herein is true and correct.

 Name

 Title (Must be signed by a corporate officer with signature authority)

 Date

This application must be completed and returned for consideration prior to the submission of an application for a building permit or the issuance of a certificate of occupancy, whichever comes first. Upon receipt of this application, the City of Arlington shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

An electronic copy of this application is available. For more information, please call (817) 459-6155

Completed requests should be submitted to:

Office of Economic Development

City of Arlington, M/S 03-0310

P.O. Box 90231 Arlington, TX 76004-0231

Staff Report



City of Arlington Policy Statement for Chapter 380 Economic Development Program

City Council Meeting Date: 10-30-12

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution amending the City's Chapter 380 Economic Development Program Policies and Procedures to facilitate redevelopment opportunities.

PRIOR BOARD OR COUNCIL ACTION

On December 6, 2005, the City Council approved resolution 05-733 amending the City of Arlington's Chapter 380 Economic Development Program Policies and Procedures.

On December 14, 2010, the City Council approved resolution 10-372 to include the implementation and operation of the Arlington Home Improvement Incentive Program.

On October 16, 2012, the Economic Development Committee discussed and reviewed proposed revisions to the Chapter 380 ED Program Policies and Procedures.

ANALYSIS

The Chapter 380 Economic Development Program Policies and Procedures are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base, create additional revenue for the city without substantially increasing the demand on City services or infrastructure, and that may also diversify and expand job opportunities.

The Chapter 380 ED Program Policies and Procedures have been amended to include:

- More verbiage that makes the Policies and Procedures all-encompassing as it relates to redevelopment efforts and new proposed language on multifamily housing projects
- Rewording of sentences to make them more consistent with prior language in the policy
- New language on multifamily housing development projects that are geographically defined and meet program requirements and criteria as it is written within the policies and procedures

FINANCIAL IMPACT

None

ADDITIONAL INFORMATION

Attached:

Resolution

Chapter 380 ED Program Policies and Procedures

Under separate cover:

None

Available in the City Manager's office:

None

STAFF CONTACT(S)

Bruce Payne
Economic Development Manager
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Bruce.Payne@arlingtontx.gov

Marcus Young
Economic Development Specialist
817-459-6117
Marcus.Young@arlingtontx.gov

Resolution No. 12-301

**A resolution approving amendments to the City of
Arlington's Chapter 380 Economic Development
Program Policies and Procedures**

WHEREAS, on January 27, 1998, the City Council approved Resolution No. 98-67 adopting the City of Arlington Chapter 380 Economic Development Program Policies and Procedures (Policy); and

WHEREAS, on December 6, 2005, the City Council approved Resolution No. 05-733 amending the Policy; and

WHEREAS, on December 14, 2010, the City Council approved Resolution No. 10-372 amending the policy to include the implementation and operation of the Arlington Home Improvement Incentive Program; and

WHEREAS, the Chapter 380 Economic Development Program is intended to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base and that may also diversify and expand job opportunities; and

WHEREAS, several desired revisions to the Policy have been identified; NOW
THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON,
TEXAS:

I.

That the City Council hereby approves amendments to the City of Arlington Chapter 380 Economic Development Program Policies and Procedures.

II.

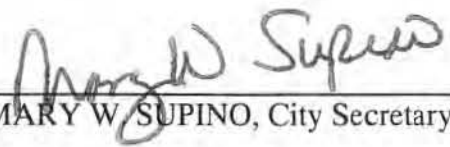
A substantial copy of the Chapter 380 Economic Development Program Policies and Procedures is attached hereto and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 30th day of October, 2012,
by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the
City of Arlington, Texas.



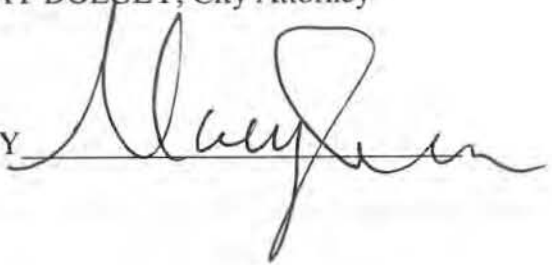
ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM

POLICIES AND PROCEDURES

I.

General Statement of Purpose and Policy

The City of Arlington is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. The City of Arlington has previously developed economic development programs and incentives designed to encourage high quality business, commercial, professional sports and manufacturing concerns to locate, remain, and expand in the City of Arlington. Now the City of Arlington seeks to enhance its economic development efforts to attract and retain high quality development and jobs by establishing these Chapter 380 Economic Development Program Policies and Procedures.

These Policies and Procedures are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base, and diversify and expand job opportunities or by promoting and encouraging projects that create additional revenue for the City without substantially increasing the demand on City services or infrastructure. The ultimate goal and public purpose of programs established hereunder is to protect and enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Arlington residents.

In furtherance of these objectives, the City of Arlington will, on a case-by-case basis, give consideration to providing economic incentives to applicants in accordance with these Policies and Procedures as authorized by Chapter 380 of the Texas Local Government Code, as amended from time to time.

Nothing in this document is intended to imply or suggest that the City of Arlington is under any obligation to provide economic incentives to any applicant. All applicants shall be considered on a case-by-case basis. The decision to approve or deny economic incentives shall be at the discretion of the City Council except for the Arlington Home Improvement Incentive Program which will be determined by policy requirements. Each applicant granted economic incentives as a Chapter 380 Economic Development Program (also referred to as Program) under these Policies and Procedures must enter into an agreement with the City of Arlington containing all terms required by these Policies and Procedures and by state law to protect the public interest of receiving a public benefit in exchange for public funds, assets and services invested to stimulate economic development in Arlington.

II. Program Requirements

- A. To be considered for incentives as a Chapter 380 Economic Development Program under these Policies and Procedures, a project, except for Arlington Home Improvement Incentive Program projects, must at least meet the following minimum requirements:
1. Either the project
 - a. will result in a minimum increased taxable value for the City of \$25,000,000 in real and business personal property (excluding inventory and supplies); or
 - b. will result in a minimum increased taxable value for the City of \$250,000 in real and business personal property (excluding inventory and supplies) in the Downtown Business Zoning District or the Downtown Neighborhood Overlay District; or
 - c. is a multifamily housing project intended to redevelop and revitalize key areas that are zoned for multifamily or mixed use development within the City; **or**
 - c. is specifically determined by resolution of the Arlington City Council to bring benefit to the City consistent with the General Statement of Purpose and Policy as stated in Paragraph I above; and
 2. In addition, the project
 - a. is qualified as a target industry according to the City of Arlington Policy Statement for Tax Abatement; or
 - b. will make a unique or unequaled contribution to development or redevelopment efforts in the City of Arlington, due to its magnitude, significance to the community or aesthetic quality; or
 - c. will enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Arlington residents, or
 - d. with regard to multifamily housing proposals, will target geographic areas such as Downtown Arlington, Lamar/Collins, and surrounding areas where there is an opportunity to support existing and new economic activity or job centers, or a need to redevelop existing multifamily housing that is in significant decline or blight.

- B. A project shall not be eligible for incentives under these Policies and Procedures if a building permit has been issued for the project prior to making application in accordance with these Policies and Procedures.
- C. Incentives provided in accordance with these Policies and Procedures will be provided only to the extent that the revenue realized by the City and attributable to a project exceeds a minimum amount established by the Agreement. The public benefit or amount of revenue realized by the City and attributable to the project must be commensurate with value of any incentives granted under this Program.

III. Additional Considerations

Additional factors to be considered by the City Council in determining whether to authorize an Agreement for incentives as a Chapter 380 Economic Development Program (Program), except for Arlington Home Improvement Incentive Program projects, are:

- A. the number and types of jobs to be created or retained;
- B. the financial capacity of the applicant to undertake and complete the proposed project;
- C. other incentive programs for which the applicant has applied or is qualified;
- D. the market conditions and growth potential for the business activity, and
- E. any other factors the City Council finds helpful and relevant to accomplishing the City's economic development objectives.

IV. Application Process

The following application process shall apply to all applications for consideration as a Program, with the exception of Arlington Home Improvement Incentive Program projects.

- A. An application for consideration as a Program shall be made on forms supplied by the City. An applicant may be required to provide additional information to show compliance with minimum Program requirements. If City staff determines minimum Program requirements have been met, City staff shall prepare and present a proposed Agreement with the applicant to the City Council.
- B. The City Council may consider the proposed Agreement and may take action on the proposal as it deems appropriate. Nothing in these Policies and Procedures

and nothing in the application form and process shall create any property, contract, or other legal right in any person to have the City Council consider or grant incentives.

V. Agreement Terms

An Agreement established for a Program must include:

- A. a timetable and list of the kind of improvements or development that the Program will include, and conditions to assure that the Program meets or exceeds the City's requirements pertaining to property values and revenues, which in no event shall be less than the minimum Program requirements established in Paragraph II above;
- B. a complete description of the location of the proposed Program or projects included in the Program;
- C. a timetable and list of the kind and amount of property values, revenues, incomes or other public benefits that the proposed Program will provide;
- D. a provision establishing the duration of the Agreement;
- E. a provision identifying the method for calculating and source of funding for any grant, loan or other incentives provided in the Agreement;
- F. a provision providing a tangible means for measuring whether the applicant and other responsible parties have met their obligations under the Agreement;
- G. a provision providing for access to and authorizing inspection of the property and applicant's pertinent business records by municipal employees in order to determine compliance with the Agreement;
- H. a provision for cancellation of the Agreement and/or nonpayment of incentives if the Program is determined to not be in compliance with the Agreement;
- I. a provision for recapturing City funds granted or loaned, or for recapturing the value of other public assets granted or loaned, if the applicant does not meet its duties and obligations under the terms of the Agreement;
- J. a provision that allows assignment of the Agreement with prior written approval of the City Council, or without the prior written approval of the City Council provided that:
 - 1. all rights, duties, obligations and liabilities under the Agreement are assigned from the assignor to the assignee; and

2. the assignment is made subject and subordinate to the Agreement and the Chapter 380 Economic Development Program Policies and Procedures; and
 3. the assignment document is in a form and contains content acceptable to the City Attorney's Office;
- K. provisions relating to administration, delinquent taxes, reporting requirements and indemnification;
- L. a provision that the Agreement may be amended by the parties to the Agreement by using the same procedure for approval as is required for entering into the Agreement; and
- M. such other provisions as the City Council shall deem appropriate.

VI.

Arlington Home Improvement Incentive Program

- A. To be considered for an Arlington Home Improvement Incentive Program Chapter 380 Economic Development Program incentive under these Policies and Procedures, a project must at least meet the following minimum requirements:
1. Must be a single family residential homeowner within the Arlington city limits, including owners of rental properties.
 2. Must agree to expend at least \$20,000 in home improvements to the single family residential home that they own within the Arlington city limits that is the subject of the application.
 3. Must at the time of application be current on all state, federal, and local taxes related to the single family residential home that is the subject of the application.
 4. At the time of application the single family residential home must be occupied by homeowner(s) or renters.
- B. The application process will include the following:
1. Application for the incentive will be made at the same time as the request for a building permit on the subject property.
 2. The application for the incentive and the building permit will be determined at the same time.

3. If the incentive application and building permit is approved the applicant will sign an incentive contract in substantially the same form as **Exhibit “A”**, which is attached hereto and incorporated herein as if written word for word.
 4. After the construction and a final inspection is completed on the subject property, the applicant will provide proof of the new Tarrant Appraisal District (TAD) value on the subject property.
 5. If applicant has met all conditions of the program, the City will calculate the incentive and pay the applicant within 30 days of the submission of proof of the new TAD value on the subject property.
- C. The incentive will be calculated as follows:
1. The incentive will be in an amount equal to up to ten (10) times the amount of increase in property taxes for the Residence for the first tax year following the Completion of Construction as the result of the increase in the Taxable Value of the Residence under the Arlington Home Improvement Incentive Program as determined by the City of Arlington Director of Community Planning and Development for the Approved Project.
 2. The maximum incentive for any application will be \$5,000.00.
 3. The applicant will have to refund any incentive paid if the applicant fails to meet the requirements of the policies and abide by the agreement signed by applicant.
- D. Additional Provisions:
1. City Council will authorize through the City Manager the implementation of the Arlington Home Improvement Incentive Program by Community Planning and Development.
 2. The number of active applications at any one time shall not exceed the amount of funds actually budgeted for the incentives divided by the maximum incentive available.

Adopted by Council Resolution 98-67.

(Revised 12/06/05, Resolution 05-733)

(Revised 12/14/10, Resolution 10-372)

Exhibit “A”

STATE OF TEXAS §
 §
TARRANT COUNTY § **ARLINGTON HOME IMPROVEMENT**
 § **PROGRAM INCENTIVE AGREEMENT**

This Arlington Home Improvement Program Incentive Agreement (“Agreement”) is made by and between the City of Arlington, Texas (the “City”) and _____ (“Property Owner”), acting by and through their respective authorized officers and representatives.

W I T N E S S E T H:

WHEREAS, the Property Owner is the owner of a single-family residential structure located at _____, Arlington, Texas (the “Residence”); and

WHEREAS, Texas Local Government Code Chapter 380 allows the City to provide incentives for the promotion of economic development; and

WHEREAS, the promotion of the redevelopment of the existing residential housing stock in the City promotes economic development within the City and is essential for the continued economic growth and vitality of the City; and

WHEREAS, it is well established that the availability of quality housing stock encourages the relocation of businesses and attracts new business enterprises, and promotes the expansion of existing business enterprises within the City, which in turn stimulates growth, creates jobs and increases property and sales tax revenues; and

WHEREAS, the promotion of quality residential housing stock is a major contributing factor to the vitality of the City, which in turn stimulates trade and commerce and reduces unemployment; and

WHEREAS, residential development and redevelopment will attract and encourage business relocation and expansion as businesses will look to the availability of quality residential housing stock to meet the needs of its work force and management; and

WHEREAS, the City has determined that providing an economic development incentive in accordance with this Agreement will further the objectives of the City, will benefit the City and the City’s inhabitants, and will promote local economic development and stimulate business and commercial activity in the City; NOW THEREFORE,

In consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article I.
Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

Article II.
Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Approved Project” shall mean a project for home improvements, modifications or remodeling of the Residence as approved by the City of Arlington’s Director of Community Planning and Development (or his designee) as being eligible for an incentive under the Arlington Home Improvement Incentive Program.

“City” shall mean the City of Arlington, Texas (Tarrant County).

“Commencement of Construction” shall mean that

- (i) the construction plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for the Approved Project; and
- (ii) all necessary permits for the construction of the Approved Project have been issued by all applicable governmental authorities.

“Completion of Construction” shall mean the date of the City’s final inspection of the subject Residence following the construction of the Approved Project.

“Effective Date” shall mean the last date of execution hereof.

“Event of Bankruptcy or Insolvency” shall mean insolvency, appointment of receiver for the Property Owner and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Property Owner and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Expiration Date” shall mean two (2) years from Completion of Construction.

“Home Improvement Program” shall mean the Arlington Home Improvement Incentive Program authorized by Resolution No. 10-____.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Property Owner or any property or any business owned by Property Owner within the City.

“Incentive” shall mean an economic development incentive in an amount equal to up to ten (10) times the amount of increase in property taxes for the Residence for the first tax year following the Completion of Construction as the result of the increase in the Taxable Value of the Residence under the Arlington Home Improvement Incentive Program as determined by the City of Arlington Director of Community Planning and Development for the Approved Project.

“Residence” shall mean the single-family residential structure, excluding the land, located at _____, Arlington, Texas.

“Property Owner” shall mean the owner of the Residence.

“Taxable Value” shall mean the appraised value of the Residence as certified by the applicable appraisal district, or its successor entity, as of January 1 of a given year.

Article III. **Warranties**

The Property Owner warrants that he/she has read the Arlington Chapter 380 Economic Development Program Policies and Procedures as amended by Resolution No. 10-_____ and that compliance with those policies and procedures are mandatory for the receipt of any incentive.

Article IV. **Economic Development Incentive**

- 4.1 **Payment.** Subject to the Property Owner’s continued satisfaction of the terms and conditions of this Agreement and the obligation of the Property Owner to repay the Incentive pursuant to Section 6.2 hereof, the City agrees to provide the Incentive to the Property Owner to be paid in a single lump-sum payment on April 1 of the first full calendar year following Completion of Construction. Payments shall only be made to homeowners that have met all program eligibility requirements. Homeowners that owe taxes or fines or other monies to the City of Arlington are not eligible to receive payment. Payments shall be made to homeowner participants that have successfully complied with the program requirements, including expending at least \$20,000 in home improvements to the subject dwelling in accordance with the program formula. Under no circumstances shall payment to any participating homeowner exceed \$5,000. The

Tarrant County Appraisal District determines the property tax amount for the City of Arlington, the Arlington Independent School District and Tarrant County. For the purposes of this program the City of Arlington shall utilize that portion of the property tax determined by the Tarrant County Appraisal District attributable to the City of Arlington. Payment shall be computed by calculating the difference between the pre home improvement property tax and the post home improvement property tax, multiplied by 10. Payments shall not exceed the total of \$5,000 per dwelling unit.

For example:

A home improvement project approved in October 2010 is completed in December 2010.

The City of Arlington property tax as defined by the Tarrant County Appraisal District prior to the improvements (January 1, 2010) was \$4,000.

The City of Arlington property tax as defined by the Tarrant County Appraisal District following the improvements (January 1, 2011) is \$4,300.

The difference between pre and post improvements is an increase of \$300.

Ten times the increase in taxable value improvements is (\$300 x 10 = \$3,000).

In this example the total incentive is \$3,000, which would be paid on April 1, 2012.

- 4.2 **Current Revenue.** The Incentive made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution or other party.

Article V.

Incentive Conditions

The City's obligation to pay the Incentive shall be conditioned upon the Property Owner's continued compliance with and satisfaction of the terms and conditions of this Agreement and each of the conditions set forth in this Article.

- 5.1 **Inspections.** The Property Owner agrees to submit to periodic inspections of the Residence by the City during the period beginning with the date of Commencement of Construction and ending on the date of Completion of Construction.
- 5.2 **Construction Costs.** The construction costs incurred and paid by the Property Owner for the Approved Project shall be at least \$20,000 (the "Certified Costs"). The Property Owner shall, as a condition precedent to the payment of the Incentive, provide copies of invoices, receipts and other documentation as may be reasonably requested by the City to verify the costs incurred and paid by the Property Owner for construction of the Approved Project.

- 5.3 **Completion of Construction.** The Property Owner shall cause Completion of Construction of the Approved Project to occur on or before twenty-four (24) calendar months after the City approval of the Property Owner's proposed project for an Incentive.

Article VI. **Termination**

- 6.1 This Agreement shall terminate upon the occurrence of any one of the following:
- (a) mutual agreement of the parties;
 - (b) the Expiration Date;
 - (c) at the City's option, if any Impositions owed to the City or the State of Texas by Property Owner shall become delinquent (provided, however Property Owner retains the right to timely and properly protest and contest any such Impositions);
 - (d) by the City, in the event Property Owner breaches any of the terms or conditions of this Agreement and such breach is not cured within sixty (60) days after written notice thereof;
 - (e) by the City, if the Property Owner suffers an Event of Bankruptcy or Insolvency;
 - (f) by the City, if any subsequent Federal or State legislation or any final, non-appealable decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable; or
 - (g) the sale or transfer of the Residence following one assignment of this Agreement as provided herein.
- 6.2 In the event of termination by the City pursuant to 6.1(c), (d), (e), (f) or (g) the Property Owner shall immediately repay to the City an amount equal to Incentive paid to Property Owner, if any, prior to termination of this Agreement.

Article VII. **Miscellaneous**

- 7.1 **Assignment.** This Agreement may not be assigned without the prior written consent of the City, except that this Agreement may be assigned by the Property Owner one (1) time in connection with the sale or transfer of the ownership (including a life estate) of the Residence to a subsequent owner of the Residence upon thirty (30) days prior written notice to the City. This Agreement shall

automatically terminate upon any subsequent sale or transfer of the ownership of the Residence.

- 7.2 **Binding Agreement.** The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto.
- 7.3 **Limitation on Liability.** It is understood and agreed between the parties that the Property Owner(s), in satisfying the conditions of this Agreement, have acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions.
- 7.4 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.
- 7.5 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.
- 7.6 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered.

If intended for Property Owner, to:

Arlington, Texas _____

If intended for City, to:

Attn: City Manager
City of Arlington
P.O. Box 90231
Arlington, Texas 76004-3231

With a copy to:

City Attorney
City of Arlington
P.O. Box 90231
Arlington, Texas 76004-3231

- 7.7 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates

to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

- 7.8 **Governing Law.** The Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Tarrant County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.
- 7.9 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.
- 7.10 **Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.
- 7.11 **Recitals.** The recitals to this Agreement are incorporated herein.
- 7.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.
- 7.13 **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the ____ day of _____, 2010.

PROPERTY OWNER

BY _____
Signature

Typed or Printed Name

Typed or Printed Title

WITNESS:

CITY OF ARLINGTON, TEXAS

BY _____

Name: _____

Title: _____

ATTEST:

MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY _____

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

PROPERTY OWNER
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who is known to me or who was proved to me on the oath of _____ (*name of person identifying the acknowledging person*) or who was proved to me through _____ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of _____, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 20__.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

CITY OF ARLINGTON, TEXAS
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of the **CITY OF ARLINGTON**, a municipal corporation of Tarrant County, Texas, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 20__.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name